

TOWN OF ERIE | COLORADO



Comprehensive Annual Financial Report

For The Year Ended
December 31, 2013



Town of Erie, Colorado

Comprehensive Annual Financial Report
For the fiscal year ended
December 31, 2013

Prepared by the Finance Department:

Steve Felten, CPA – Finance Director
Christine M. Morrison – Deputy Finance Director

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Town of Erie, Colorado
Comprehensive Annual Financial Report
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Introductory Section

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May 16, 2014

To the Honorable Mayor, Members of the Board of Trustees, and Citizens of the Town of Erie:

State Law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of audited financial statements. Pursuant to that requirement, we hereby issue this comprehensive annual financial report of the Town of Erie (the Town) for the fiscal year ended December 31, 2013.

This report is management's representation concerning the Town's finances. Management assumes full responsibility for the completeness and reliability of the information presented in this report. To provide a reasonable basis for making these representations, Town management has established a comprehensive internal control framework designed both to protect the Town's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Town's financial statements in conformity with Generally Accepted Accounting Principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the Town's internal controls have been designed to provide reasonable rather than absolute assurance that the financial statements are free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

CliftonLarsonAllen LLP, a firm of licensed certified public accountants, has audited the Town's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town for the fiscal year ended December 31, 2013, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the Town of Erie's financial statements for the fiscal year ended December 31, 2013, are fairly presented in conformity with GAAP. The independent auditors' report is presented at the beginning of the financial section of this report.

GAAP requires that management provide Management's Discussion and Analysis (MD&A), a narrative introduction, overview, and analysis to accompany the basic financial statements. This letter of transmittal should be read in conjunction with the MD&A. It is designed to complement the MD&A. The MD&A follows the independent auditors' report.

Profile of the Town

Erie was platted on January 25, 1871, and incorporated as the Town of Erie on November 16, 1874. It is the second oldest municipality in Weld County. Founded as a rural coal mining town, Erie is now located on the northern fringe of the Denver-Boulder Metropolitan Area. The estimated population of the Town at December 31, 2013, is approximately 21,500, with a planning area that includes 46 square miles in Boulder and Weld Counties. The Town levies property tax on real properties located within its boundaries, has a municipal sales and use tax, and is empowered by state statute to extend its corporate limits by annexation. Annexation occurs periodically when deemed appropriate by the governing Board and voters.

The Town has operated under the Trustee-Administrator form of government since its first meeting on November 16, 1874, as a statutory town. Policy-making and legislative authority are vested in the Board of Trustees (the Board) consisting of the mayor and six trustees. The Town's board is responsible for passing ordinances, adopting the budget, appointing committees, and hiring the Town's administrator, clerk, treasurer, and attorney. The town's administrator is responsible for carrying out the goals, policies, and ordinances of the Board, for overseeing the day-to-day operations of the Town, and for appointing the heads of the various departments. The Board is elected on a nonpartisan basis. The mayor is elected for a two-year term and three trustees are elected for four-year terms at each biennial election. The mayor and trustees are elected at-large.

The Town provides a full range of services, including administration and finance; planning and building; police protection; public works, engineering, and street maintenance; and parks, trails, open space, and recreational activities. The Town also offers business-type services from its water, sewer, and storm drainage utilities; and the municipal airport. In addition, although they are separate legal entities, the Town has established the Town of Erie Urban Renewal Authority (URA) and the Town of Erie Housing Authority.

Other traditional municipal services such as fire protection and library services are provided to Erie's citizens by outside special districts not affiliated with the Town. Other utility services, such as electricity, gas, and trash services, are provided by private companies not affiliated with the Town. Since these organizations are not affiliated with the Town, their financial information is not reported in the Town's financial statements.

The annual budget serves as the foundation for the Town's financial planning and control. All departments submit requests for appropriation to the finance director on or before the last day of August each year. The finance director and Town administrator use these requests to begin developing a proposed budget. The budget is presented to the Board for review prior to October 15. The Board is required to hold public hearings on the proposed budget and to adopt a final budget no later than December 15. The Town's fiscal year ends on December 31. The appropriated budget is prepared by fund (e.g., general), department (e.g., police), and division (e.g., patrol). Department heads may transfer appropriations within a department. Transfers of appropriations between departments and funds, and appropriations increasing the budget, require Board of Trustee approval.

Budget-to-actual comparisons are provided in this report for each individual fund for which an appropriated annual budget has been adopted. For the General Fund and the URA, budgetary comparisons are presented on page 38 and 39, as part of the basic financial statements for the governmental funds. For all other governmental funds, these comparisons are presented in the nonmajor governmental funds subsection of this report, which begins on page 78. Budgetary comparisons for the proprietary funds begin on page 97.

Factors Affecting Financial Condition

A government's finances are related to the local and national economies. For example, a downturn in the local economy may reduce the government's revenues as well as increase the demand for services from its citizens. The information presented in the financial statements is perhaps best understood when it is considered from a broader perspective.

Local Economy

Until the mid-1990's the Town experienced very slow population growth. But since 2000 the Town's population has more than tripled, reflecting growth in single-family residential homes. To support that growth, the Town assesses permit, impact, and tap fees and uses this revenue to pay for improvements such as parks, recreation facilities, and transportation infrastructure. In addition, these fees are used to develop water resources and water, wastewater, and storm drainage infrastructure.

Town sales tax revenues, representing approximately 25% of General Fund revenues, grew steadily through 2007. After experiencing declines in sales tax revenues in 2008 and 2009, sales tax revenues have increased each year since 2009, exceeding the levels of 2007 by 30%, and have increased 40% since their low point in 2009. The Town expects that sales tax revenues will continue to grow as residential and commercial development occurs in and around the community.

After three years of relatively low levels of residential building activity, building permits increased to 248 in 2013 compared to 149 in 2012. It is anticipated that building activity over the next few years will be significantly higher than in the 2009-2012 timeframe, barring an economic downturn. Currently five large developments with a planned total of approximately 5,400 dwelling units are under construction. Three are currently building homes, with the other two expected to start construction of homes during 2014. Two additional developments with approximately 600 planned homes are expected to begin grading activities in 2014.

The Town continues to work on increasing the number of businesses throughout the community, including initiatives to enhance the economic success of Historic Downtown Erie, Four Corners and the Highway 7 corridor, among other areas of potential development. Interest in the Town's core picked up in 2013, with new businesses opening in Historic Downtown Erie and in the Four Corners area. In addition, construction of the Boulder Valley Velodrome began in 2013 and will be opening in 2014, one of only two in the state.

The immediate vicinity, including the Town, Boulder County, and Weld County, has an employed labor force of about 300,000. The Town's major employers range from retail to engineering to education to light manufacturing. At December 31, 2013, the Town government had 162 full-time equivalent employees, making it one of Erie's top five employers. As indicated above, the community is expected to maintain strong growth of quality residential construction, leading to an expected doubling of population over the next 10 years or so. This growth should translate into corresponding growth in the number and variety of businesses expected in the community in the future.

Long-term Financial Planning

As discussed in more detail below, the Town continues to maintain strong fund balance positions in its various funds. The Board and management believes it is prudent to conserve its level of reserves as the Town experiences continued growth and expands and diversifies its commercial base. This growth can be expected to lead to increased levels of sales, use and property tax revenues, in addition to other revenue sources not directly dependent on residential development.

The Board and staff assess the need for additional capital improvements as part of its long-range planning process. As part of the annual budget process, staff updates projections of capital needs over the next five years. Projects under current consideration include an expansion of the Erie Community Park, various roadway projects, and additions to the Town's open space and trails. In addition, the Town is a participant in both the Windy Gap Project and the Northern Integrated Supply Project, parts of its efforts to ensure adequate water supplies as the Town grows.

Relevant Financial Policies

The Town adopted financial policies in 2003. These policies guide the financial operations of the Town and provide structure when developing the budget. The Town's budget policy provides that the fund balance in the General Fund will only be expended for one-time capital expenditures unless otherwise authorized by the Board of Trustees. The Town's operating reserve policy requires the Town to maintain a fund balance in the General Fund of 25% of the current year's budgeted operating expenditures, plus an additional reserve of \$7.5 million to provide a funding source for services in the event of severe economic conditions. Enterprise funds must maintain a ninety-day operating and maintenance expense reserve. Total General Fund reserves at year-end 2013 were less than the policy goals described above due to advances to the URA to support its redevelopment efforts. These advances will be repaid as future urban renewal projects are undertaken and financed. But at almost 50% of related 2013 actual expenditures these reserve levels are very strong relative to similar towns.

Major Initiatives

The Town continues to provide necessary services to its residents. In 2013 the Town continued work on trail projects along Coal Creek and began construction of bike lanes on Weld County Road 5. The Town also completed construction of the world's first Street League Certified Skate Plaza. In addition, through its urban renewal authority, the Town

acquired certain properties in order to provide future commercial and retail development as part of various urban renewal plans.

Awards and Acknowledgements

The Government Financial Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town for its comprehensive annual financial report for the fiscal year ended December 31, 2012. This was the ninth consecutive year that the Town has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The Town received the GFOA's Award for Outstanding Achievement in Popular Annual Financial Reporting for its annual popular financial report for the fiscal year ended December 31, 2012. This was the sixth consecutive year that the Town has received this prestigious award. In order to qualify for the Award for Outstanding Achievement in Popular Annual Financial Reporting, the Town's annual popular financial report was judged to be proficient in several categories, including reader appeal, understandability, and distribution.

We would like to express our appreciation to all staff members who assisted and contributed to the preparation of this report. This report would not have been possible without the efficient and dedicated services of the entire staff of the finance and administration departments. Credit also must be given to the Mayor and the Board of Trustees for their unfailing support for maintaining the highest standards of professionalism in the management of the Town of Erie's finances.

Respectfully submitted,



A.J. Krieger
Town Administrator



Steve Felten, CPA
Finance Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

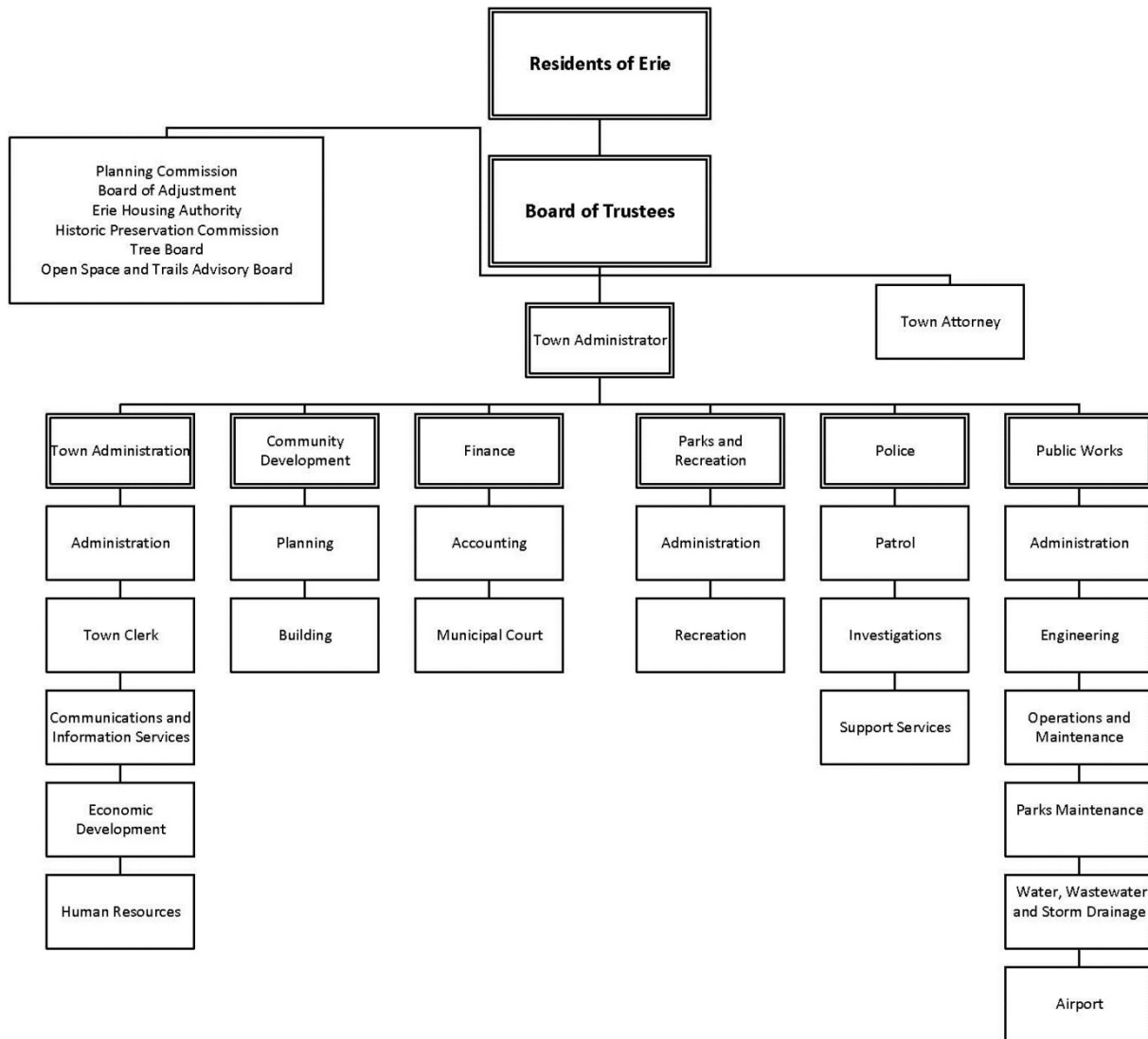
**Town of Erie
Colorado**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2012

Executive Director/CEO

Organizational Chart



Town of Erie, Colorado

List of Town Officials

Elected Officials: Mayor and Board of Trustees

Tina Harris	Mayor
Mark Gruber	Mayor Pro-Tem
Scott Charles	Trustee
Jennifer Kramer	Trustee
Janice Moore	Trustee
Waylon Schutt	Trustee
Dan Woog	Trustee

Town Administration Officials

A.J. Krieger	Town Administrator
Mark Shapiro	Town Attorney
Nancy Parker	Town Clerk
Gary Behlen	Public Works Director
Farrell Buller	Parks and Recreation Director
Steve Felten	Finance Director
Marty Ostholthoff	Community Development Director
Marc Vasquez	Chief of Police

Note: List is as of the issuance date of this report.

Financial Section

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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Town of Erie
Erie, Colorado

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Erie, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements as listed in the table of contents.

Management's Response for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Erie as of December 31, 2013, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund and the Erie Urban Renewal Authority Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 15 to 27 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Erie's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary schedules, and Local Highway Finance Report are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, budgetary schedules, and Local Highway Finance Report are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, budgetary schedules and Local Highway Finance Report are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections and the Water and Wastewater Enterprise Funds Continuing Disclosures have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 16, 2014, on our consideration of the Town of Erie's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Erie's internal control over financial reporting and compliance.



Greenwood Village, Colorado
May 16, 2014



Management's Discussion and Analysis

The Town of Erie's (Town) management offers readers this narrative overview and analysis of the Town's financial activities for the fiscal year ended December 31, 2013. We encourage readers to consider the information presented here in conjunction with additional information furnished in the letter of transmittal, found earlier in this report. Amounts in this section are rounded for purposes of easier understanding.

Financial Highlights

- The Town's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the end of 2013 by \$268.0 million (net position). Of this amount, \$28.7 million (unrestricted net position) may be used to meet the Town's ongoing obligations in accordance with financial policies.
- The Town's net position increased by \$7.2 million, or 3%. Governmental net position increased by \$1.8 million, or 2%, and business-type net position increased by \$5.4 million, or 3%.
- At December 31, 2013, the Town's governmental funds reported combined ending fund balances of \$27.7 million, a decrease of \$2.0 million from 2012.
- The General Fund, the Town's primary operating fund, reported unassigned fund balance of \$6.8 million, representing 42% of actual 2013 expenditures.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. These consist of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Town's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between these categories reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The *statement of activities* presents information showing how the Town's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave). One purpose of the design of the statement of activities is to show the financial reliance of the Town's distinct functions on revenues provided by the Town's taxpayers.

Both of the government-wide financial statements distinguish Town functions that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through users fees and charges (business-type activities). The Town's governmental activities include general government (including the Town's urban renewal authority activities), public safety, public works, and parks and recreation. Business-type activities include the water system, wastewater system, storm drainage system, municipal airport, and the housing authority.

The government-wide financial statements can be found on pages 31-33 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the Town's funds can be divided into two categories: governmental funds and proprietary funds.

Governmental funds are used to account for essentially the same functions as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. This information may be useful in evaluating the Town's near term financing requirements.

Because the focus of governmental funds is narrower than that of government-wide financial statements, it is useful to compare the governmental funds information with similar information presented for governmental activities in the government-wide financial statements. By comparing the information, readers may better understand the long term impact of the Town's near term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide reconciliations to facilitate a comparison between governmental funds and governmental activities.

The Town has twelve individual governmental funds, including the Town's urban renewal authority (URA). The General Fund is considered a *major fund*, as is the URA. Their fund information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances. The

remaining individual governmental fund statements are provided in the form of combining statements in a later section of this report.

The Town adopts an annual appropriated budget for each of its governmental funds. Budgetary comparison statements for the General Fund and URA are included in the basic financial statements to demonstrate compliance with the adopted budget.

The basic governmental fund financial statements can be found on pages 34-39 of this report.

Proprietary funds are used to account for essentially the same functions and information as business-type activities in the government-wide financial statements. The Town has five proprietary funds, also known as enterprise funds. Of these five funds, the Water Fund and Wastewater Fund are reported individually as major funds. Their fund information is presented separately in the proprietary funds statement of net position, statement of revenues, expenses, and changes in net position, and in the statement of cash flows. The remaining individual proprietary fund statements are provided in the form of combining statements in a later section of this report.

The Town adopts an annual appropriated budget for four of its proprietary funds. Budgetary comparisons for the proprietary funds are included in a later section of this report. An annual budget is not prepared for the housing authority.

The basic proprietary fund financial statements can be found on pages 40-42 of this report.

Notes to the Financial Statements. The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements can be found on pages 43-68 of this report.

Combining Statements for the nonmajor governmental funds and nonmajor proprietary funds (referred to earlier) are presented following the notes to the financial statements. In addition, budget schedules for nonmajor governmental funds and all of the proprietary funds other than the housing authority are also presented in this section. This information can be found on pages 69-100.

Government-wide Financial Analysis

Statement of Net Position. As noted above, over time net position may serve as a useful indicator of a government's financial position. As of December 31, 2013, the Town's net position (assets and deferred outflows of resources less liabilities and deferred inflows of resources) was \$268.0 million, an increase of \$7.2 million over the total at December 31, 2012. The Town reported positive balances in net position for both governmental and business-type activities. Net position increased by \$1.8 million in its governmental activities and \$5.4 million in its business-type activities.

The following table reflects the Town's condensed statement of net position.

Statement of Net Position as of December 31 (in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Assets		<i>As Adjusted</i>		<i>As Adjusted</i>		<i>As Adjusted</i>
Current and other assets	\$ 38,633	\$ 37,840	\$ 30,452	\$ 28,647	\$ 69,085	\$ 66,487
Capital assets	92,939	90,558	217,086	218,675	310,025	309,233
Total Assets	131,572	128,398	247,538	247,322	379,110	375,720
Deferred Outflows of Resources	1,176	48	1,354	1,469	2,530	1,517
Liabilities						
Long-term liabilities	16,625	16,148	84,243	89,411	100,868	105,559
Other liabilities	6,914	4,893	1,817	1,940	8,731	6,833
Total Liabilities	23,539	21,041	86,060	91,351	109,599	112,392
Deferred Inflows of Resources	3,994	4,010	-	-	3,994	4,010
Net Position						
Net investment						
in capital assets	77,940	74,136	139,956	136,663	217,896	210,799
Restricted	19,769	19,194	1,699	1,609	21,468	20,803
Unrestricted	7,506	10,065	21,177	19,168	28,683	29,233
Total Net Position	\$ 105,215	\$ 103,395	\$ 162,832	\$ 157,440	\$ 268,047	\$ 260,835

The Town's net investment in capital assets represents 81% of its net position. These capital assets are used to provide necessary services to citizens and are therefore not available for future spending. It should be noted that the resources to repay the debt must be provided from other sources, since capital assets themselves cannot be liquidated to provide the resources.

Restricted net position accounts for 8% of its total net position, representing resources that are subject to external restrictions on how they may be used. The remaining component of net position is unrestricted, representing 11% of the Town's total net position and may be used to meet ongoing obligations to the Town's residents and creditors.

Statement of Activities. The following table provides a summary of the Town's statement of activities.

Statement of Activities for the year ending December 31 (in thousands)

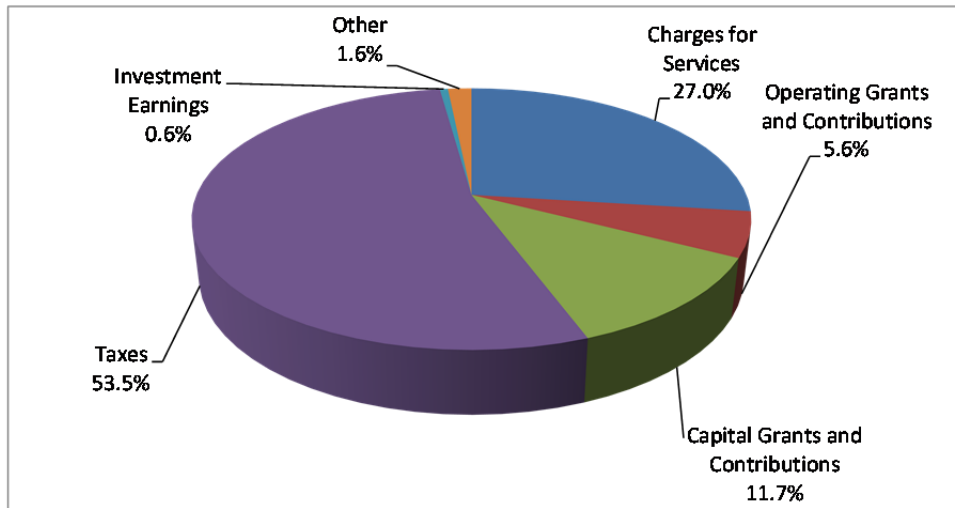
	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Revenues	<i>As Adjusted</i>		<i>As Adjusted</i>		<i>As Adjusted</i>	
Program revenues						
Charges for services	\$ 4,958	\$ 3,779	\$ 11,033	\$ 11,140	\$ 15,991	\$ 14,919
Operating grants and contributions	1,021	1,002	66	73	1,087	1,075
Capital grants and contributions	2,154	1,671	7,674	4,277	9,828	5,948
General revenues						
Taxes	9,816	8,956	-	-	9,816	8,956
Grants	104	108	-	-	104	108
Investment earnings	102	182	83	122	185	304
Other	213	423	376	50	589	473
Total revenues	18,368	16,121	19,232	15,662	37,600	31,783
Expenses						
General government	3,425	2,319	-	-	3,425	2,319
Public safety	2,563	2,393	-	-	2,563	2,393
Public works	5,365	3,284	-	-	5,365	3,284
Parks and recreation	4,528	6,215	-	-	4,528	6,215
Interest on long-term debt	649	763	-	-	649	763
Water	-	-	8,177	7,632	8,177	7,632
Wastewater	-	-	4,677	4,523	4,677	4,523
Storm drainage	-	-	447	419	447	419
Airport	-	-	446	300	446	300
Erie Housing Authority	-	-	111	103	111	103
Total expenses	16,530	14,974	13,858	12,977	30,388	27,951
Increase in net position before transfers	1,838	1,147	5,374	2,685	7,212	3,832
Transfers	(18)	(20)	18	20	-	-
Increase in net position	1,820	1,127	5,392	2,705	7,212	3,832
Net position - beginning - restated	103,395	102,268	157,440	154,735	260,835	257,003
Net position - ending	\$ 105,215	\$ 103,395	\$ 162,832	\$ 157,440	\$ 268,047	\$ 260,835

Governmental Activities – Revenues: During 2013, the Town's primary revenue sources for governmental operations were taxes, accounting for 53% of total governmental revenues. Charges for services made up 27% of total governmental revenues while capital grants and contributions represented 12%. Program revenues were \$8.4 million less than expenses. This is an ordinary occurrence for governments and indicates that taxes provide a primary source of revenues to support governmental operations.

Charges for services increased \$1.2 million, or 31%, compared to 2012, reflecting increased levels of building permits and related development activity, higher levels of landfill fees, and increases in recreation fees due to new programs and increased participation. Taxes increased by \$0.9 million, or 10%, due primarily to an increase of \$0.8 million, or 20%, in sales and use taxes over 2012 amounts as the economy continued to improve and building activity increased.

The following chart provides the breakdown of revenues by source for 2013:

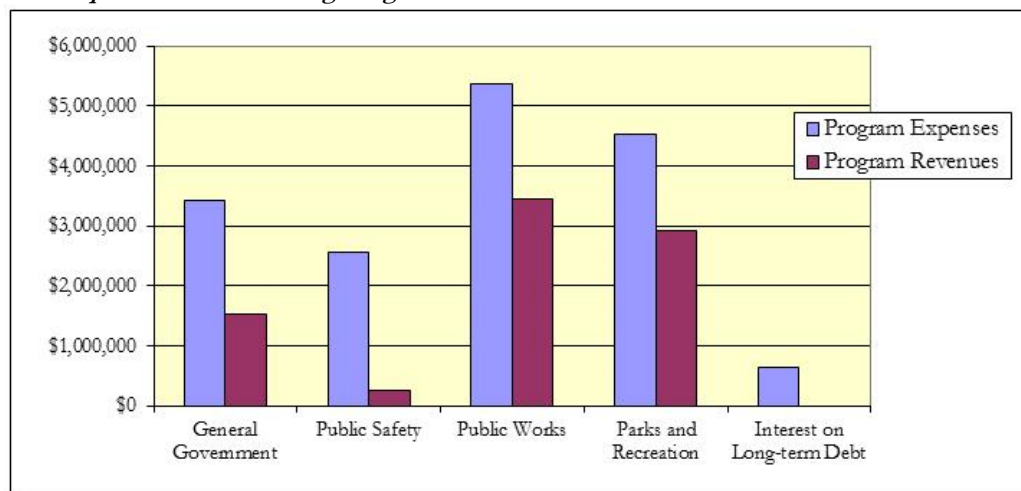
2013 Revenues by Source – Governmental Activities



Governmental Activities – Expenses: Total governmental activities expenses were \$16.5 million in 2013, an increase of \$1.6 million, or 10%, compared to 2012. Public works expense represented the largest area of governmental expenses at 32% of total expenses in 2013. Parks and recreation expense made up 27% of the total, general government 21%, and public safety 16%, with interest expense accounting for the remaining 4% of total expenses. Primary factors causing the \$1.6 million increase over 2012 were expenses incurred related to the flood and an August storm (much of which has been or will be reimbursed to the Town by FEMA, the State of Colorado or insurance), increased activities in the URA and higher levels of legal expenses arising from litigation.

The following chart provides a comparison of expenses by function compared to the related program revenues:

2013 Expenses and Offsetting Program Revenues – Governmental Activities

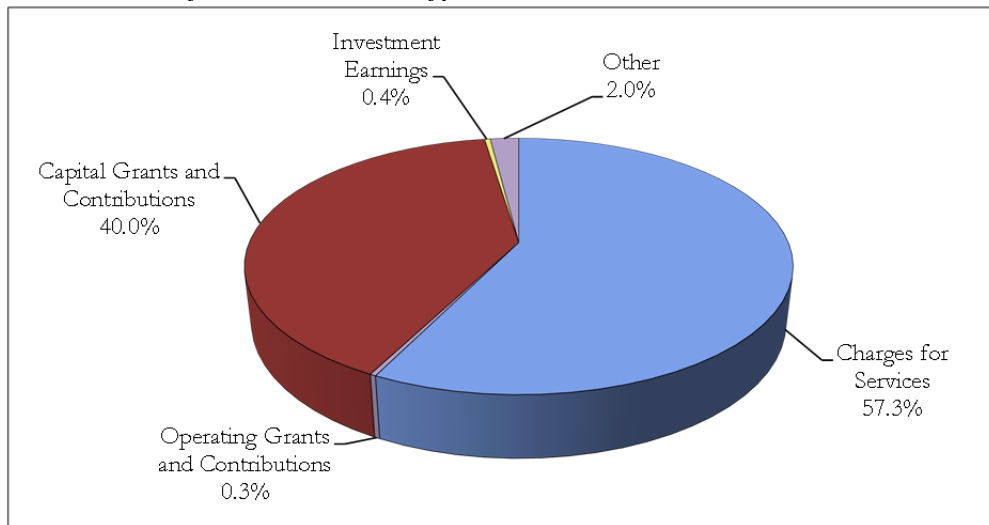


Business-type Activities – Revenues: Business-type activities primarily rely on charges for services to support related expenses. Charges for services of \$11.0 million for business-type activities represented 57% of 2013 revenues, and decreased \$0.1 million, or 1%, compared to the prior year. This decrease was due primarily to lower levels of water usage for irrigation compared to the prior year due to drought conditions in 2012, partially offset by a scheduled increase in utility rates effective January 1, 2013.

The other primary source of revenue, representing 40% of revenues, comes primarily from capital contributions in the form of tap fees, developer-constructed donated capital and reimbursements, and grants. This source of revenue increased \$3.4 million, or 79%, compared to 2012, due to higher levels of tap fees and other related fees arising from the increase in residential building activity during 2013.

The following chart provides the breakdown of revenues by source for 2013:

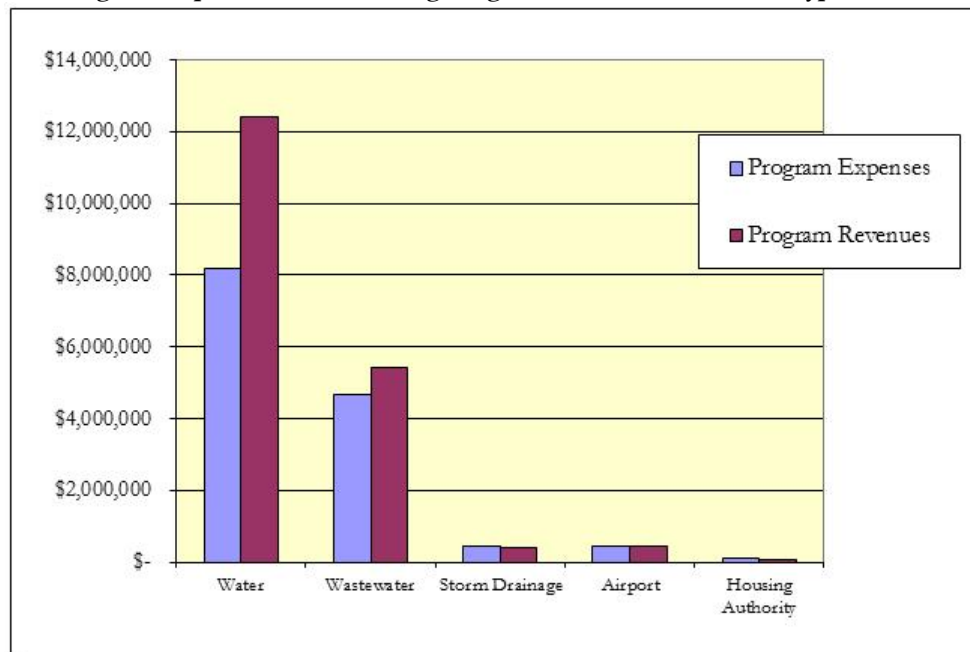
2013 Revenues by Source – Business-type Activities



Business-type Activities – Expenses: Business-type expenses were \$13.9 million in 2013, an increase of \$0.9 million, or 7%, compared to 2012. This increase was due in part to an increase of \$0.4 million in depreciation expense, reflecting the shortening of the depreciation periods of certain assets during 2013 to more accurately reflect their useful lives. In addition, personnel costs increased over 2012 due to staff additions in 2012 and 2013 to support the Town's growing water and wastewater infrastructure.

The following chart provides a comparison of expenses by function compared to the related program revenues:

2013 Program Expenses and Offsetting Program Revenues – Business-type Activities



Financial Analysis of the Town's Funds

As discussed earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. Unassigned fund balance is one of five fund balance classifications, as follows: nonspendable, restricted, committed, assigned, and unassigned fund balance.

Fund balances are the differences between assets and liabilities in a governmental fund. The nonspendable fund balance includes amounts that are not in spendable form, or amounts that are required to be maintained intact. Restricted fund balance includes amounts that can be spent only for the specific purposes stipulated by external providers, such as grant providers or bondholders, as well as amounts that are restricted constitutionally or through legislation. Committed fund balance includes amounts that can be used only for the specific purposes that are determined by a formal action of the government's highest level of decision making authority. Assigned fund balance applies to amounts that are intended for specific purposes as expressed by the governing body and applies to remaining resources in

any governmental fund other than the general fund. Unassigned fund balances include all amounts not contained in other classifications for the general fund, and deficit fund balances in any other governmental fund.

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$27.7 million. Of that amount, \$4.0 million was nonspendable, \$19.9 million was restricted, \$1.1 million was assigned, and \$2.7 million was unassigned fund balance.

The General Fund, the primary operating fund of the Town, had a fund balance at December 31, 2013, of \$14.2 million, of which \$4.0 million was nonspendable, \$2.3 million was restricted, and \$1.1 million assigned. The remainder of the fund balance, or \$6.8 million, was unassigned.

As just noted, the General Fund has \$4.0 million in nonspendable fund balance. This amount represents the noncurrent portion of advances to the urban renewal authority, used to fund operations and the acquisition of certain properties in planned urban renewal areas. This advance will be repaid by the URA as urban renewal projects are identified and tax increment bond financing related to these projects is obtained by the URA.

As a measure of the General Fund's liquidity, it is useful to compare unassigned fund balance to total fund expenditures. The unassigned fund balance of \$6.8 million represents 42% of total General Fund expenditures for 2013. The Town has two General Fund reserve policies. The first is that a reserve of 25% of expenditures be maintained. Based on 2014 budgeted expenditures the required reserve is \$3.9 million. In addition, the Board has established an additional reserve to allow the Town to maintain service levels during years when revenues decline due to economic conditions. This reserve was established at \$7.5 million in 2010.

The General Fund unassigned fund balance of \$6.8 million is less than the total of the two required policy reserves of \$11.4 million. However, as noted above, at 42% of current expenditures, management considers the General Fund unassigned fund balance to be very strong in both absolute terms and in comparison to similar municipalities. In addition, repayment of the \$4.0 million in advances to the URA will reduce the amount of nonspendable fund balance, increasing unassigned fund balance in an equal amount. The appropriateness of the Town's various reserve policies are to be reassessed in 2014.

Providing additional strength to the General Fund are funds available in the Solid Waste/Streets Fund. Created in 2013, this fund originated through a transfer of \$2.8 million in restricted funds from the General Fund. Permitted uses of these funds are expended through the General Fund, with the Solid Waste/Streets Fund transferring funds to the General Fund in an amount equal to these permitted expenditures. If the year-end fund balance of \$2.2 million in this fund is added to the unassigned fund balance in the General Fund, the percentage of General Fund current expenditures covered grows to 57%.

The General Fund excess of expenditures and other uses over revenue and other sources was \$2.3 million for the current fiscal year, compared to an excess of \$0.3 million in 2012. The 2013 budget anticipated a deficiency of revenues over expenditures of \$3.8 million.

Revenues were \$0.5 million higher than budget, primarily as a result of higher levels of development related fees and taxes. Expenditures were \$1.0 million lower than budget, largely due to expense control and savings.

The \$2.3 million deficit in the General Fund was due to the transfer of \$2.8 million in restricted fund balance for the establishment of the new Solid Waste/Streets Fund. As discussed above, the revenues and fund balance in this new fund are available as a source of funds for various expenditures of the General Fund. On a combined basis, the excess of expenditures and other uses over revenue and other sources for the General Fund and Solid Waste/Streets Fund was only \$0.2 million.

The other major governmental fund in 2013 was the urban renewal authority. Prior to 2012 the URA had no significant activities. Since then, the URA has expended \$3.4 million for the purchase of real estate for future urban renewal projects. In addition, the URA has expended approximately \$0.7 million in operating expenses, primarily for legal and consulting fees to identify various urban renewal areas along with other related activities. As discussed above, these expenditures were funded with advances by the General Fund, which will be repaid as urban renewal projects are undertaken.

Fund balances remain strong in the other governmental funds. A total of \$17.5 million in fund balances are restricted or committed for future capital outlays and similar purposes.

See Note I.D.9. on pages 51-52, Note II.C. on page 53 and Note III.D. on page 59 for more information.

Proprietary Funds

The Town's proprietary fund financial statements provide the same type of information as found in the government-wide financial statements, but in more detail. All of the Town's proprietary funds are enterprise funds engaged in business-type activities.

The total net position of all enterprise funds as of December 31, 2013, was \$162.8 million, of which \$22.5 million was unrestricted net position. Total net position increased \$5.4 million over the prior year.

The \$5.4 million increase in total net position is largely attributable to an increase of \$4.6 million in net position in the Water Fund. This favorable change was due to an increase of \$2.7 million in capital contributions as discussed above. Operating revenues (charges for services) were \$6.4 million, a decrease of \$0.7 million, or 10%, compared to 2012. This decrease was primarily due to lower levels of water usage for irrigation purposes compared to 2012 due to drought conditions in the prior year, partially offset by a scheduled increase in water rates for 2013. Operating expenses increased \$0.6 million, or 11%, to \$5.9 million, primarily due to an increase in depreciation and personnel expense as discussed previously.

In the Wastewater Fund net position increased \$0.8 million compared to a decrease of \$0.2 million in 2012. Operating revenues (charges for services) were \$4.1 million, a \$0.6 million, or 17%, increase over 2012. This increase can be attributed primarily to a scheduled rate increase in 2013. Capital contributions increased \$0.6 million, or 75%, compared to 2012 for

the reasons discussed above. Operating expenses increased \$0.2 million, or 5%, to \$3.7 million, reflecting an increase in personnel expense as discussed earlier.

General Fund Budgetary Highlights

The 2013 General Fund final expenditure budget was \$17.1 million, an increase of \$2.3 million over the original budget. This increase was primarily due to supplemental appropriations of \$1.4 million for various capital projects. The increase in budgeted expenditures was funded with additional revenues. Actual 2013 General Fund expenditures amounted to \$16.0 million, approximately \$1.0 million less than the final budget. As noted above, expenditures were \$1.0 million lower than budget, largely due to expense control and savings. Additional information can be found in “Governmental Funds” above.

Capital Assets and Debt Administration

Capital Assets

The Town’s capital assets net of accumulated depreciation as of December 31, 2013, for its governmental and business-type activities amounted to \$310.0 million, an increase of \$0.8 million from December 31, 2012. The increase in capital assets was the result of \$8.9 million in additions, partially offset by \$7.6 million in depreciation. The investment in capital assets includes land, water rights, buildings, improvements, machinery, equipment, and vehicles. It includes governmental activities as well as water, wastewater, airport, storm drainage, and housing authority infrastructure.

	Governmental Activities		Business-type Activities		Total Primary Government	
	2013	2012	2013	2012	2013	2012
Land	\$ 11,942	\$ 9,236	\$ 7,754	\$ 4,621	\$ 19,696	\$ 13,857
Water rights	-	-	75,390	74,515	75,390	74,515
Buildings	26,233	27,043	921	957	27,154	28,000
Improvements other than buildings	51,628	51,493	128,012	132,208	179,640	183,701
Machinery, equipment, and vehicles	1,059	596	432	426	1,491	1,022
Construction in progress	2,077	2,190	4,577	5,948	6,654	8,138
Total Capital Assets	<u>\$ 92,939</u>	<u>\$ 90,558</u>	<u>\$ 217,086</u>	<u>\$ 218,675</u>	<u>\$ 310,025</u>	<u>\$ 309,233</u>

Major capital improvements during the fiscal year ended December 31, 2013, included the following:

Governmental Activities (total additions - \$5.7 million)

- Purchase of property by the Erie Urban Renewal Authority (\$1.9 million)
- Open space purchase (\$0.7 million)
- Shoulder work and bike lanes on Weld County Road 5 (\$0.7 million)
- Street overlay projects (\$0.6 million)

Business-type Activities (total additions - \$3.2 million)

- Purchase of water rights (\$0.9 million)
- Upgrade/replacement of membrane unit at water treatment facility (\$0.9 million)

Additional information on the Town's capital assets can be found in Note III.C. on pages 57-58 of this report.

Long-Term Debt

At the end of 2013, the Town had \$100.2 million in total outstanding long-term debt, a decrease of \$4.8 million from December 31, 2012. Of this amount, \$15.9 million represents general obligation bonds secured by all available Town revenue. The remainder is primarily secured by specific revenue sources (e.g., water revenues) and water rights. The following table summarizes long-term debt outstanding as of December 31, 2013, and 2012.

Outstanding Debt as of December 31, 2013 and 2012 (in thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2013	2012	2013	2012	2013	2012
General obligation bonds	\$ 15,924	\$ 15,776	\$ -	\$ -	\$ 15,924	\$ 15,776
Revenue bonds and loans	-	-	54,983	57,125	54,983	57,125
Certificates of participation	-	-	28,295	28,895	28,295	28,895
Mortgages payable	-	-	759	782	759	782
Capital lease obligations	251	-	-	2,441	251	2,441
Total debt outstanding	<u>\$ 16,175</u>	<u>\$ 15,776</u>	<u>\$ 84,037</u>	<u>\$ 89,243</u>	<u>\$ 100,212</u>	<u>\$ 105,019</u>

During 2013 the Town refunded \$8.3 million of the general obligation bonds issued in 2006 for the construction of the Erie Community Center. Total interest savings over the life of the refunding period will be \$1.1 million, reducing the property taxes levied to service this debt. These refunding bonds were rated Aa2 by Moody's Investor Services and AA+ by Standard & Poor's.

State statutes limit the amount of general obligation debt the Town may issue to 3% of estimated actual valuation. The current debt limitation for the Town is \$69.0 million.

Additional information on the Town's long-term debt can be found in Note III.F. on pages 60-64 of this report.

Economic Factors and Next Year's Budget

There are several factors that drive the Town's budget and financial performance. Some of these factors include area employment rates, retail sales, motor vehicle sales, construction activity, population growth, and capital infrastructure needs.

After several years of flat single family residential growth, which followed several years of very rapid growth, local residential construction increased significantly in 2013, with building permits increasing from 149 in 2012 to 248 in 2013. Permits for 2014 are expected to be at least equivalent to 2013 levels, with several new residential developments in various stages of planning and building. The Town will continue to conserve resources until its commercial base grows, providing consistent and higher levels of sales and use tax. The Town has set aside significant amounts of reserves in the General Fund to enable it to continue to provide required services during economic periods like those experienced over the last few years. For 2014, the Town has appropriated \$1.0 million in fund balance to provide funding for necessary expenditures, primarily capital in nature.

The 2014 budget was approved by the Board of Trustees in December 2013. The General Fund, the Town's primary operating fund, has 2014 budgeted expenditures (excluding capital expenditures and transfers) of \$14.8 million, a \$1.0 million increase from the final 2013 budget (excluding the payment on refunded bonds in 2013). Staffing to be funded by the General Fund was increased by 2 fulltime equivalent employees to address growth requirements. Priority has been placed on existing programs to ensure service levels are maintained.

The Town of Erie was thankfully spared in large part from significant damage as a result of the devastating floods that hit northeastern Colorado in September 2013. The current cost estimate to repair infrastructure damaged by the flood is approximately \$1.2 million, of which all but approximately \$0.2 million is expected to be reimbursed to the Town from Federal and State of Colorado funds. There has been no significant impact on services to the Town as a result of the flood.

Financial Contact

This financial report is designed to provide users (citizens, taxpayers, customers, investors, creditors, and other interested parties) with a general overview of the Town's finances and to demonstrate the Town's accountability and compliance with generally accepted accounting principles. Questions concerning any of the information presented in this report or requests for additional information should be addressed to the Town of Erie, Finance Director, P.O. Box 750, 645 Holbrook St., Erie, CO, 80516.

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Basic Financial Statements

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Town of Erie, Colorado
Statement of Net Position
December 31, 2013

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Pooled Cash and Investments	\$ 33,215,954	\$ 22,016,564	\$ 55,232,518
Restricted Cash and Investments	-	6,684,048	6,684,048
Receivables, Net of Allowance for Uncollectibles	5,306,669	1,263,182	6,569,851
Internal Balances	59,539	(59,539)	-
Prepaid Items	50,549	547,144	597,693
Capital Assets Not Being Depreciated			
Land and Water Rights	11,941,558	83,143,834	95,085,392
Construction in Progress	2,077,266	4,577,447	6,654,713
Capital Assets, Net of Accumulated Depreciation	78,920,227	129,364,549	208,284,776
Total Assets	131,571,762	247,537,229	379,108,991
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Charges on Refunding	1,175,809	1,354,270	2,530,079
Total Deferred Outflows of Resources	1,175,809	1,354,270	2,530,079
LIABILITIES			
Accounts Payable	1,383,461	919,498	2,302,959
Accrued Interest Payable	47,755	403,080	450,835
Accrued Wages Payable	261,939	97,291	359,230
Other Liabilities	4,573,972	62,550	4,636,522
Unearned Revenue	646,384	334,390	980,774
Noncurrent Liabilities:			
Due within one year	1,390,487	3,550,170	4,940,657
Due in more than one year	15,234,080	80,692,528	95,926,608
Total Liabilities	23,538,078	86,059,507	109,597,585
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	3,994,418	-	3,994,418
Total Deferred Inflows of Resources	3,994,418	-	3,994,418
NET POSITION			
Net Investment in Capital Assets	77,940,386	139,955,307	217,895,693
Restricted			
Capital Projects	12,791,621	-	12,791,621
Parks and Open Space	4,315,809	-	4,315,809
Solid Waste/Streets	2,170,175	-	2,170,175
Forfeiture and Seizure	6,161	-	6,161
Bond Reserves	-	721,704	721,704
Operations and Maintenance Reserves	-	571,525	571,525
Emergencies	485,302	-	485,302
Water Rights Purchase Escrow	-	406,088	406,088
Unrestricted	7,505,621	21,177,368	28,682,989
Total Net Position	\$ 105,215,075	\$ 162,831,992	\$268,047,067

The notes to the financial statements are an integral part of this statement.

Town of Erie, Colorado
Statement of Activities
For the Year Ended December 31, 2013

		Program Revenues			Total
		Charges for	Operating	Capital	
	Expenses	Services	Grants and	Grants and	
			Contributions	Contributions	
FUNCTION ACTIVITIES					
Primary Government					
Governmental Activities					
General Government	\$ 3,424,886	\$ 1,028,882	\$ 41,367	\$ 450,838	\$ 1,521,087
Public Safety	2,562,909	246,843	4,613	-	251,456
Public Works	5,365,419	1,808,015	795,600	834,192	3,437,807
Parks and Recreation	4,528,156	1,874,591	179,226	868,768	2,922,585
Interest on Long-Term Debt	649,304	-	-	-	-
Total Governmental Activities	16,530,674	4,958,331	1,020,806	2,153,798	8,132,935
Business-Type Activities					
Water	8,176,581	6,393,236	-	6,001,910	12,395,146
Wastewater	4,676,937	4,141,562	-	1,300,749	5,442,311
Storm Drainage	447,151	411,862	-	10,007	421,869
Airport	445,648	7,530	66,438	360,969	434,937
Erie Housing Authority	111,463	78,608	-	-	78,608
Total Business-Type Activities	13,857,780	11,032,798	66,438	7,673,635	18,772,871
Total Primary Government	\$ 30,388,454	\$ 15,991,129	\$ 1,087,244	\$ 9,827,433	\$ 26,905,806

The notes to the financial statements are an integral part of this statement.

	Net (Expense) Revenue and Changes in Net Position		
	Primary Government		
	Governmental Activities	Business-Type Activities	Total
	\$ (1,903,799)	\$ -	\$ (1,903,799)
	(2,311,453)	-	(2,311,453)
	(1,927,612)	-	(1,927,612)
	(1,605,571)	-	(1,605,571)
	(649,304)	-	(649,304)
	<u>(8,397,739)</u>	<u>-</u>	<u>(8,397,739)</u>
	-	4,218,565	4,218,565
	-	765,374	765,374
	-	(25,282)	(25,282)
	-	(10,711)	(10,711)
	<u>-</u>	<u>(32,855)</u>	<u>(32,855)</u>
	<u>-</u>	<u>4,915,091</u>	<u>4,915,091</u>
	<u>(8,397,739)</u>	<u>4,915,091</u>	<u>(3,482,648)</u>
GENERAL REVENUES			
Taxes:			
Property	3,977,786	-	3,977,786
Sales and Use	4,914,157	-	4,914,157
Franchise	685,918	-	685,918
Specific Ownership	239,435	-	239,435
Grants and Contributions not Restricted			
to Specific Programs	103,540	-	103,540
Investment Earnings	102,215	82,977	185,192
Miscellaneous and Other	212,691	376,272	588,963
Transfers In (Out)	<u>(18,137)</u>	<u>18,137</u>	<u>-</u>
Total General Revenues and Transfers	<u>10,217,605</u>	<u>477,386</u>	<u>10,694,991</u>
Changes in Net Position	1,819,866	5,392,477	7,212,343
Net Position - Beginning (as adjusted)	<u>103,395,209</u>	<u>157,439,515</u>	<u>260,834,724</u>
Net Position - Ending	<u>\$ 105,215,075</u>	<u>\$ 162,831,992</u>	<u>\$ 268,047,067</u>

Town of Erie, Colorado
Balance Sheet
Governmental Funds
December 31, 2013

	General Fund	Erie Urban Renewal Authority	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Pooled Cash and Investments	\$ 15,066,220	\$ -	\$ 18,149,734	\$ 33,215,954
Receivables	4,114,384	-	1,096,307	5,210,691
Due From Other Funds	59,539	-	-	59,539
Prepaid Items	29,711	-	-	29,711
Advances to Other Funds	4,000,961	-	-	4,000,961
Total Assets	\$ 23,270,815	\$ -	\$ 19,246,041	\$ 42,516,856
LIABILITIES				
Accounts Payable	\$ 1,047,310	\$ 58,900	\$ 277,251	\$ 1,383,461
Wages Payable	252,656	5,432	3,851	261,939
Other Liabilities	4,573,972	-	-	4,573,972
Advances from Other Funds	-	4,000,961	-	4,000,961
Unearned Revenue	146,384	-	500,000	646,384
Total Liabilities	6,020,322	4,065,293	781,102	10,866,717
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	3,030,040	-	964,378	3,994,418
Total Deferred Inflows of Resources	3,030,040	-	964,378	3,994,418
FUND BALANCES				
Nonspendable				
Interfund Advances - Noncurrent	4,000,961	-	-	4,000,961
Prepaid Items	29,711	-	-	29,711
Restricted for:				
Capital Projects	1,801,192	-	10,990,429	12,791,621
Parks and Open Space	-	-	4,315,809	4,315,809
Public Safety	-	-	6,161	6,161
Solid Waste/Streets	-	-	2,170,175	2,170,175
Emergency Reserves	485,302	-	-	485,302
Committed to:				
Cemetery Operations	-	-	17,987	17,987
Assigned to:				
Purchases on Order	77,949	-	-	77,949
Subsequent Year's Budget -				
Appropriation of Fund Balance	1,041,000	-	-	1,041,000
Unassigned	6,784,338	(4,065,293)	-	2,719,045
Total Fund Balances	14,220,453	(4,065,293)	17,500,561	27,655,721
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 23,270,815	\$ -	\$ 19,246,041	\$ 42,516,856

The notes to the financial statements are an integral part of this statement.

Town of Erie, Colorado
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
December 31, 2013

	<u>Amount</u>
The amounts reported as Governmental Activities on the Statement of Net Position (page 31) are different because:	
Total Fund Balances - Governmental Funds (page 34)	\$ 27,655,721
Capital assets utilized in Governmental Activities are not financial resources and therefore are not reported in the fund financial statements.	92,939,051
Certain receivables are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.	95,978
Long-term liabilities and related items are not due and payable in the current period and therefore are not reported in the fund financial statements.	
Bonds payable	(14,625,000)
Capital lease obligations	(250,790)
Unamortized issuance premium	(1,298,684)
Unamortized deferred refunding loss	1,175,809
Unamortized bond insurance premiums	20,838
Accrued interest payable	(47,755)
Compensated absences	<u>(450,093)</u>
Total long-term liabilities and related items	<u>(15,475,675)</u>
Net Position - Governmental Activities (page 31)	<u><u>\$105,215,075</u></u>
The notes to the financial statements are an integral part of this statement.	

Town of Erie, Colorado
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2013

	General Fund	Erie Urban Renewal Authority	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	\$ 8,884,626	\$ -	\$ 932,670	\$ 9,817,296
Intergovernmental	945,120	-	179,226	1,124,346
Licenses and Permits	1,308,271	-	-	1,308,271
Fees and Charges for Services	1,878,972	-	1,524,245	3,403,217
Fines and Forfeitures	246,843	-	-	246,843
Capital Contributions and Fees	195,948	-	1,957,850	2,153,798
Investment Earnings	41,373	-	60,842	102,215
Miscellaneous	232,919	-	-	232,919
Total Revenues	13,734,072	-	4,654,833	18,388,905
EXPENDITURES				
Current Operating:				
General Government	2,353,298	428,988	-	2,782,286
Public Safety	2,440,001	-	-	2,440,001
Public Works	3,790,678	-	-	3,790,678
Parks and Recreation	2,895,151	-	132,986	3,028,137
Capital Outlay	2,656,645	1,917,705	1,745,197	6,319,547
Debt Service				
Principal	1,105,062	695,000	-	1,800,062
Interest	673,681	-	-	673,681
Bond Issuance Costs	123,357	-	-	123,357
Total Expenditures	16,037,873	3,041,693	1,878,183	20,957,749
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,303,801)	(3,041,693)	2,776,650	(2,568,844)
OTHER FINANCING SOURCES (USES)				
Transfers In	2,169,348	-	2,796,543	4,965,891
Transfers Out	(2,814,680)	-	(2,169,348)	(4,984,028)
Refunding Bonds Issued	8,460,000	-	-	8,460,000
Premium on Refunding Bonds Issued	1,234,608	-	-	1,234,608
Payment to Refunded Bonds Escrow Agent	(9,571,113)	-	-	(9,571,113)
Capital Leases	290,852	-	-	290,852
Sale of Capital Assets	14,523	-	-	14,523
Insurance Recoveries	121,317	-	-	121,317
Flood Damage Reimbursements by FEMA	50,193	-	-	50,193
Total Other Financing Sources (Uses)	(44,952)	-	627,195	582,243
Net Change in Fund Balance	(2,348,753)	(3,041,693)	3,403,845	(1,986,601)
Fund Balance - Beginning	16,569,206	(1,023,600)	14,096,716	29,642,322
Fund Balance - Ending	<u>\$ 14,220,453</u>	<u>\$ (4,065,293)</u>	<u>\$ 17,500,561</u>	<u>\$ 27,655,721</u>

The notes to the financial statements are an integral part of this statement.

Town of Erie, Colorado
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2013

	<u>Amount</u>
The amounts reported as Governmental Activities on the Statement of Activities (pages 32-33) are different because:	
Net Changes in Fund Balances - Governmental Funds (page 36)	\$ (1,986,601)
Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense.	
Capital outlays	5,644,314
Depreciation expense	<u>(2,961,507)</u>
Excess of capital outlays over depreciation	2,682,807
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	95,978
Governmental Funds report principal payments as expenditures. However, in the Statement of Activities these payments are reflected as a reduction in long-term debt obligations. This amount includes \$1,800,062 in scheduled principal payments and \$9,571,113 for payment to escrow agent for refunded bonds.	11,371,175
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the Governmental Funds.	
Net book value of disposed assets	(302,239)
Change in accrued compensated absences	(77,343)
Change in accrued interest	13,606
Amortization of premiums, discounts, deferred refunding losses and bond insurance premiums	<u>7,806</u>
Total expenses not requiring current resources	(358,170)
Governmental Funds report proceeds from borrowings as other financing sources. However, in the Statement of Net Position these proceeds are reflected as debt obligations.	<u>(9,985,323)</u>
Change in Net Position - Governmental Activities (page 33)	<u><u>\$ 1,819,866</u></u>

The notes to the financial statements are an integral part of this statement.

Town of Erie, Colorado
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended December 31, 2013

	Budgeted Amounts			Variance With Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Taxes	\$ 8,177,200	\$ 8,655,400	\$ 8,884,626	\$ 229,226
Intergovernmental	1,058,900	914,400	945,120	30,720
Licenses and Permits	616,100	1,060,300	1,308,271	247,971
Fees and Charges for Services	2,809,100	1,821,300	1,878,972	57,672
Fines and Forfeitures	163,500	220,400	246,843	26,443
Capital Contributions and Fees	-	160,000	195,948	35,948
Investment Earnings	129,000	84,000	41,373	(42,627)
Miscellaneous	288,600	287,100	232,919	(54,181)
Total Revenues	13,242,400	13,202,900	13,734,072	531,172
EXPENDITURES				
Current Operating:				
General Government				
Legislative	225,500	224,800	192,604	32,196
Town Administration	927,400	1,199,800	1,095,505	104,295
Community Development	515,900	596,600	485,141	111,459
Finance	383,400	418,700	398,006	20,694
Central Charges	174,700	174,700	182,042	(7,342)
Public Safety	2,504,850	2,544,450	2,440,001	104,449
Public Works	1,982,800	4,235,100	3,790,678	444,422
Parks and Recreation	4,882,500	2,907,900	2,895,151	12,749
Capital Outlay	1,455,500	2,876,500	2,656,645	219,855
Debt Service				
Principal	1,000,000	1,114,200	1,105,062	9,138
Interest	738,400	667,400	673,681	(6,281)
Bond Issuance Costs	-	123,400	123,357	43
Total Expenditures	14,790,950	17,083,550	16,037,873	1,045,677
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,548,550)	(3,880,650)	(2,303,801)	1,576,849
OTHER FINANCING SOURCES (USES)				
Transfers In	157,800	2,373,900	2,169,348	(204,552)
Transfers Out	(50,000)	(2,828,543)	(2,814,680)	13,863
Refunding Bonds Issued	-	8,460,000	8,460,000	-
Premium on Refunding Bonds Issued	-	1,234,500	1,234,608	108
Payment to Refunded Bonds Escrow Agent	-	(9,571,100)	(9,571,113)	(13)
Capital Leases	-	290,900	290,852	(48)
Sale of Capital Assets	-	-	14,523	14,523
Insurance Recoveries	-	104,800	121,317	16,517
Flood Damage Reimbursements by FEMA	-	-	50,193	50,193
Total Other Financing Sources (Uses)	107,800	64,457	(44,952)	(109,409)
Net Change in Fund Balance	\$ (1,440,750)	\$ (3,816,193)	(2,348,753)	\$ 1,467,440
Fund Balance - Beginning			16,569,206	
Fund Balance - Ending			<u>\$ 14,220,453</u>	

The notes to the financial statements are an integral part of this statement.

Town of Erie, Colorado
Erie Urban Renewal Authority
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended December 31, 2013

	Budgeted Amounts			Variance With Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
EXPENDITURES				
Current Operating:				
General Government	\$ 421,300	\$ 413,900	\$ 428,988	\$ (15,088)
Capital Outlay	2,595,000	1,918,000	1,917,705	295
Debt Service				
Principal	-	695,000	695,000	-
Total Expenditures	3,016,300	3,026,900	3,041,693	(14,793)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,016,300)	(3,026,900)	(3,041,693)	(14,793)
Net Change in Fund Balance	\$ (3,016,300)	\$ (3,026,900)	(3,041,693)	\$ (14,793)
Fund Balance - Beginning			(1,023,600)	
Fund Balance - Ending			<u>\$ (4,065,293)</u>	

The notes to the financial statements are an integral part of this statement.

Town of Erie, Colorado
Statement of Net Position
Proprietary Funds
December 31, 2013

	Business-type Activities - Proprietary Funds			
	Water Fund	Wastewater Fund	Nonmajor Proprietary Funds	Total Proprietary Funds
ASSETS				
Current Assets				
Pooled Cash and Investments	\$ 11,504,852	\$ 8,996,905	\$ 1,514,807	\$ 22,016,564
Restricted Cash and Investments	4,643,391	2,036,624	4,033	6,684,048
Receivables	519,888	531,003	212,291	1,263,182
Prepaid Items	326,561	212,081	8,502	547,144
Total Current Assets	16,994,692	11,776,613	1,739,633	30,510,938
Noncurrent Assets				
Capital Assets				
Construction in Progress	4,019,430	85,985	472,032	4,577,447
Land and Water Rights	82,428,812	59,022	656,000	83,143,834
Buildings, Property, and Equipment	80,459,389	61,680,639	17,752,562	159,892,590
Accumulated Depreciation	(16,766,219)	(9,788,545)	(3,973,277)	(30,528,041)
Total Capital Assets	150,141,412	52,037,101	14,907,317	217,085,830
Total Noncurrent Assets	150,141,412	52,037,101	14,907,317	217,085,830
Total Assets	167,136,104	63,813,714	16,646,950	247,596,768
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Charges on Refunding	1,352,410	1,860	-	1,354,270
Total Deferred Outflows of Resources	1,352,410	1,860	-	1,354,270
LIABILITIES				
Current Liabilities				
Accounts Payable	735,179	73,766	110,553	919,498
Accrued Interest Payable	306,117	92,136	4,827	403,080
Wages Payable	49,165	45,089	3,037	97,291
Other Liabilities	58,350	-	4,200	62,550
Due to Other Funds	-	-	59,539	59,539
Unearned Revenue	291,540	42,850	-	334,390
Compensated Absences	59,920	59,950	3,346	123,216
Current Portion of Long Term Debt				
Certificates of Participation Payable	625,000	-	-	625,000
Loans Payable	-	283,224	11,788	295,012
Bonds Payable	1,513,000	295,000	-	1,808,000
Mortgages Payable	-	-	698,942	698,942
Total Current Liabilities	3,638,271	892,015	896,232	5,426,518
Noncurrent Liabilities				
Compensated Absences	40,968	41,115	382	82,465
Long Term Debt, Net of Unamortized Premiums and Discounts				
Certificates of Participation Payable	27,670,000	-	-	27,670,000
Loans Payable	-	2,718,980	310,003	3,028,983
Bonds Payable	30,885,708	18,965,372	-	49,851,080
Mortgages Payable	-	-	60,000	60,000
Total Noncurrent Liabilities	58,596,676	21,725,467	370,385	80,692,528
Total Liabilities	62,234,947	22,617,482	1,266,617	86,119,046
NET POSITION				
Net Investment in Capital Assets	94,315,714	31,813,009	13,826,584	139,955,307
Restricted				
Bond Reserves	721,704	-	-	721,704
Operations and Maintenance Reserves	-	571,525	-	571,525
Water Rights Purchase Escrow	406,088	-	-	406,088
Unrestricted	10,810,061	8,813,558	1,553,749	21,177,368
Total Net Position	\$ 106,253,567	\$ 41,198,092	\$ 15,380,333	\$ 162,831,992

The notes to the financial statements are an integral part of this statement.

Town of Erie, Colorado
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2013

	Business Type Activities - Proprietary Funds			Total Proprietary Funds
	Water Fund	Wastewater Fund	Nonmajor Proprietary Funds	
OPERATING REVENUES				
Charges for Services	\$ 6,393,236	\$ 4,141,562	\$ 498,000	\$ 11,032,798
OPERATING EXPENSES				
Personnel Services	1,367,069	1,213,708	109,262	2,690,039
Operations and Maintenance	1,824,316	957,202	341,765	3,123,283
Depreciation	2,669,956	1,543,684	464,859	4,678,499
Total Operating Expenses	5,861,341	3,714,594	915,886	10,491,821
Net Operating Income (Loss)	531,895	426,968	(417,886)	540,977
NON-OPERATING REVENUES (EXPENSES)				
Investment Earnings	43,001	35,268	4,708	82,977
Intergovernmental	-	-	66,438	66,438
Litigation Proceeds	325,000	-	-	325,000
Other Non-Operating Income	7,295	-	43,977	51,272
Interest Expense	(2,219,004)	(962,246)	(37,554)	(3,218,804)
Loss on Disposition of Capital Assets	(96,236)	(97)	(50,822)	(147,155)
Total Non-Operating Revenues (Expenses)	(1,939,944)	(927,075)	26,747	(2,840,272)
Loss Before Contributions and Transfers	(1,408,049)	(500,107)	(391,139)	(2,299,295)
Capital Contributions	6,001,910	1,300,749	370,976	7,673,635
Transfers In	-	-	18,137	18,137
Change in Net Position	4,593,861	800,642	(2,026)	5,392,477
Total Net Position - Beginning (As Adjusted)	101,659,706	40,397,450	15,382,359	157,439,515
Total Net Position - Ending	<u>\$ 106,253,567</u>	<u>\$ 41,198,092</u>	<u>\$ 15,380,333</u>	<u>\$ 162,831,992</u>

The notes to the financial statements are an integral part of this statement.

Town of Erie, Colorado
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2013

	Business-type Activities - Proprietary Funds			Total Proprietary Funds
	Water Fund	Wastewater Fund	Nonmajor Proprietary Funds	
Cash Flows from Operating Activities				
Receipts from Customers and Users	\$ 6,387,493	\$ 4,089,043	\$ 540,294	\$ 11,016,830
Payments to Employees	(1,334,213)	(1,187,863)	(112,905)	(2,634,981)
Payments to Suppliers	(1,210,589)	(991,893)	(325,260)	(2,527,742)
Net Cash Provided by Operating Activities	3,842,691	1,909,287	102,129	5,854,107
Cash Flows from Non-capital Financing Activities				
Operating Grants	-	-	106,691	106,691
Advance from Other Funds	-	-	59,539	59,539
Transfer from Other Funds	-	-	18,137	18,137
Cash Flows Provided by Non-capital Financing Activities	-	-	184,367	184,367
Cash Flows from Capital and Related Financing Activities				
Receipts from Capital Grants	-	-	314,786	314,786
Acquisition and Construction of Capital Assets	(2,660,842)	(73,837)	(501,982)	(3,236,661)
Principal Paid on Capital Debt	(4,518,007)	(560,698)	(34,298)	(5,113,003)
Interest Paid on Capital Debt	(2,210,069)	(969,237)	(41,101)	(3,220,407)
Capital Contributions	5,646,030	1,099,119	10,007	6,755,156
Litigation Proceeds	325,000	-	-	325,000
Cash Flows Used in Capital and Related Financing Activities	(3,417,888)	(504,653)	(252,588)	(4,175,129)
Cash Flows from Investing Activities				
Purchase of Investments	(61,228)	(999,867)	(241)	(1,061,336)
Proceeds from Sale and Maturity of Investments	36,493	1,000,000	-	1,036,493
Earnings on Investments	42,537	26,912	4,600	74,049
Cash Flows Provided by Investing Activities	17,802	27,045	4,359	49,206
Net Increase in Pooled Cash and Investments	442,605	1,431,679	38,267	1,912,551
Pooled Cash and Investments - January 1	11,062,247	7,565,226	1,476,540	20,104,013
Pooled Cash and Investments - December 31	\$ 11,504,852	\$ 8,996,905	\$ 1,514,807	\$ 22,016,564
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities				
Operating Income (Loss)	\$ 531,895	\$ 426,968	\$ (417,886)	\$ 540,977
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities				
Depreciation Expense	2,669,956	1,543,684	464,859	4,678,499
Other Income	7,295	-	43,977	51,272
(Increase) Decrease in				
Accounts Receivable	(48,874)	(52,519)	(1,014)	(102,407)
Prepaid Items	(4,458)	10,965	9,275	15,782
Increase (Decrease) in				
Accounts Payable	635,185	(45,656)	6,160	595,689
Wages Payable	8,422	8,585	(106)	16,901
Compensated Absences Payable	24,434	17,260	(3,537)	38,157
Other Liabilities	18,836	-	401	19,237
Net Cash Provided by Operating Activities	\$ 3,842,691	\$ 1,909,287	\$ 102,129	\$ 5,854,107

The notes to the financial statements are an integral part of this statement.

Notes to the Financial Statements

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Town of Erie, Colorado
Notes to the Financial Statements
As of and for the year ended December 31, 2013

Note I. Summary of Significant Accounting Policies

The Town of Erie, Colorado (the Town), incorporated in 1874, is a statutory municipality governed by a trustee-administrator form of government through a Mayor and six-member Board of Trustees. The Town provides the following services: administration, community development, finance, human resources, parks and recreation, police, public works, water, wastewater, and storm drainage. The Town also owns the Erie Municipal Airport.

A. Reporting Entity

The accompanying financial statements present the Town (the primary government) and its component units for which the government is financially accountable. The blended component units discussed below are included in the Town's reporting entity because of the significance of their operational or financial relationship to the Town and to ensure that the financial statements are not misleading. The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the Town. The Town considers the Town of Erie Housing Authority and the Town of Erie Urban Renewal Authority as component units. Both authorities are separate organizations for which the Town is considered to be financially accountable.

The Town is financially accountable for an organization if the Town appoints a voting majority of the organization's governing board and (1) the Town is able to significantly influence the programs or services performed or provided by the organizations; or (2) the Town is legally entitled to or can otherwise access the organization's resources; the Town is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Town is obligated for the debt of the organization.

A town's component units are presented either as "blended" or "discretely presented." If blended, it is reported as if it were a fund of the Town throughout the year. It is included at both the government-wide and fund financial reporting levels.

A brief description of the blended component units follow:

Town of Erie Housing Authority (EHA) –The EHA constructed and operates the senior housing complex. Daily operations of the complex are managed by Pillar Property Services, LLC. The EHA's activities directly benefit the citizens of the Town. The Town Board of Trustees serves as the EHA Board of Commissioners. The EHA is reported as a proprietary fund. Separate audited financial statements of the EHA are not available.

Town of Erie Urban Renewal Authority (EURA) – The EURA was created in 2011 by action of the Town Mayor and Board of Trustees, who serve as its Board of Commissioners, under the Colorado Urban Renewal Law. The EURA is charged with the creation and

Note I. Summary of Significant Accounting Policies *(continued)*

implementation of the Town of Erie urban renewal plan pursuant to the Urban Renewal Law. Operations of the EURA are currently funded from General Fund resources, which will be repaid from various funding sources of the EURA, including tax increment financing for urban renewal projects within its boundaries. The EURA is reported as a special revenue fund. Separate audited financial statements of the EURA are not available.

B. Government-wide and Fund Financial Statements

The government-wide financial statements, consisting of the statement of net position and the statement of activities, report financial information on all of the activities of the Town and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely, to a significant extent, on fees and charges for support.

The statement of net position presents the financial position of the governmental and business-type activities of the Town at year-end.

The statement of activities demonstrates the degree to which direct expenses of given functions or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The Town does not allocate indirect expenses to functions in the statement of activities. Program revenues include (1) charges to customers who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operating or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. The Town does not operate any fiduciary funds. Major individual governmental funds and proprietary funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Note I. Summary of Significant Accounting Policies *(continued)*

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims, and judgments are recorded only when payment is due.

Property taxes, sales taxes, highway users' taxes, auto use taxes, franchise taxes, fees, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditure-driven grants are recognized when the qualifying expenditures have been incurred and all other eligibility requirements have been met. All other revenue items are considered to be measurable and available only when cash is received by the Town.

The Town reports the following major governmental funds:

The *general fund* is the Town's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Erie Urban Renewal Authority* is described above in I.A.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operations. The principal operating revenues of all proprietary funds are charges for services to customers. Operating expenses from proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. All of the Town's proprietary funds are classified as enterprise funds.

The Town reports the following major proprietary (enterprise) funds:

The *water fund* accounts for the acquisition, treatment, and distribution of the Town's water supply.

The *wastewater fund* accounts for the collection and treatment of gray water in the Town's wastewater system.

Interfund transactions are treated and classified as revenues, expenditures, or expenses (the same as if these same transactions involved external organizations). These include interfund transfers and billings from one fund to another for the purchase of goods or services. In the

Note I. Summary of Significant Accounting Policies *(continued)*

government-wide statement of activities, interfund transactions are eliminated unless the transfer is between the governmental and the business-type activities.

D. Assets, Liabilities, and Fund Equity

1. Deposits and Investments

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Whenever possible the Town pools cash to enhance investment opportunities and to facilitate management of cash resources. Investments are made taking into consideration safety, liquidity, and income potential, in that order. The Town makes investments pursuant to its investment policy and relevant State of Colorado statutes.

Investments are reported at fair value based upon values obtained from quoted market prices.

2. Receivables and Payables

Activities between funds that represent lending/borrowing arrangements at the end of the fiscal year are referred to as either "due (to)/from other funds" (i.e., the current portion of interfund loans) or "advances to/(from) other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due (to)/from other funds." Any residual balances outstanding between governmental activities and business-type activities are reported in the government-wide financial statements as internal balances.

All trade and property tax receivables are reported net of any allowance for uncollectible amounts, where applicable.

Property taxes levied in a particular year are collected in the subsequent year. The property tax calendar is as follows:

Tax Year

Tax Levy certified to County Commissioners.....December 15

County Commissioners certify levy to County Assessor.....December 22

Ensuing Collection Year

Taxes attach as an enforceable lien on property.....January 1

First installment due date (one-half of taxes due).....February 28

Taxes due in full (unless installments elected by taxpayer).....April 30

Second installment due date (second half due).....June 15

Note I. Summary of Significant Accounting Policies (continued)

The taxes are collected by the Boulder County and Weld County Treasurers on behalf of the Town and are remitted by the 15th day of the month following collection. A 1% collection fee is retained by the Counties as compensation for collecting the taxes.

3. *Prepaid Items*

Certain payments to vendors and other third parties reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

4. *Restricted Assets*

Certain proceeds from the issuance of bonds, as well as certain resources set aside for their repayment, are classified as restricted assets because their use is limited by applicable bond covenants.

5. *Capital Assets*

Capital assets, which include property, plant, equipment, and all infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) acquired since 1997, are reported in the applicable governmental or business-type activities column in the government-wide financial statements and in the proprietary funds in the fund financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost, if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets of the Town are depreciated using the straight-line method with estimated useful lives as follows:

Assets	Years
Buildings and improvements	5-50
Improvements other than buildings	5-50
Machinery and equipment	3-10
Vehicles	3-5

Note I. Summary of Significant Accounting Policies *(continued)*

6. Compensated Absences

It is the Town's policy to permit employees to accumulate earned but unused paid time off and extended sick leave benefits. There is no liability for unpaid accumulated extended sick leave since the Town does not have a policy to pay any amounts when employees separate from service with the Town. All paid time off is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured.

7. Long-term Obligations

Long-term debt and other long-term obligations are reported as liabilities in the government-wide and proprietary financial statements. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method over the term of the debt. Long-term debt payable is reported net of the applicable unamortized premiums or discounts. Debt issuance costs are reported as an outflow of resources.

In the fund financial statements for governmental fund-types, the par amount of debt issued and premiums received are reported as other financing sources. Bond discounts are reported as other financing uses. Issuance costs, even if withheld from the debt proceeds received, are reported as debt service expenditures.

8. Deferred Outflows and Inflows of Resources

In addition to assets, the statement of financial position will sometimes report separate sections for deferred outflows of resources and deferred inflows of resources. A deferred outflow of resources is a consumption of net position by the Town that is applicable to a future reporting period, and a deferred inflow of resources is an acquisition of net position by the Town that is applicable to a future reporting period. Both deferred outflows and inflows are reported in the statement of net position but are not recognized in the financial statements as revenues and expenses until the period(s) to which they relate.

The Town has one item that qualifies for reporting as a deferred outflow of resources – deferred charge on refunding. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

The Town also has one item that qualifies for reporting as a deferred inflow of resources. Property tax revenue is considered a deferred inflow of resources in the year the taxes are levied and measurable, and are recognized as an inflow of resources in the period they are collected.

Note I. Summary of Significant Accounting Policies (continued)

9. Fund Balances

Fund balances of governmental funds are reported in various categories, based primarily on the extent to which the Town is bound to observe constraints imposed upon the use of the resources for specific purposes.

The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The “not in spendable form” criterion includes prepaid items and the long-term amount of interfund loans.

Restricted fund balances are amounts subject to externally enforceable legal restrictions. Such restrictions are typically imposed by parties such as creditors, grantors, contributors, other governments, or enabling legislation.

Committed fund balance includes amounts that can be used only for the specific purposes imposed by formal action through ordinance of the Board of Trustees, and remains binding unless removed in the same manner.

Amounts in the assigned fund balance classification are intended to be used by the Town for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund assigned amounts represent intended uses established by the Board of Trustees, as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year’s appropriated budget.

Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

Generally, the Town would first apply restricted, then committed, and then assigned resources prior to unassigned resources when an expenditure is incurred for purposes for which more than one of the classifications of fund balance is available.

Minimum Fund Balances – The Town has established minimum unrestricted fund balances for certain of its funds. For the General Fund, minimum fund balance is 25% of annual budgeted operating expenditures. Proprietary funds are to maintain minimum unrestricted net position of 25% of annual operating and maintenance expenses plus 2% of capital assets.

Note I. Summary of Significant Accounting Policies (continued)

In 2010 the Board of Trustees approved the creation of an additional General Fund reserve to be maintained to offset economic downturns. The reserve was established at \$7,500,000, representing approximately 50% of annual General Fund expenditures. The reserve may only be used with the approval of the Board of Trustees in the event of revenue reductions due to severe economic conditions in order to prevent significant reduction in services. This reserve does not meet the definition of a stabilization arrangement pursuant to GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and therefore is reflected in unassigned fund balance.

With the exception of the General Fund reserves, all minimum fund balance policy requirements were met as of December 31, 2013. The General Fund has advanced \$4,000,961 to the Erie Urban Renewal Authority for the purchase of real estate and operating expenses. As a result, an equal amount of General Fund fund balance is classified as nonspendable. These advances will be repaid to the General Fund in future years. Absent these advances, the minimum fund balance requirement would have been met.

10. Use of Estimates

The preparation of the financial statements, in conformity with accounting principles generally accepted in the United States, requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

11. Current Year GASB Statement Implementation

For the year ended December 31, 2013, the Town adopted the provisions of GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This standard includes new requirements related to the proper classification of certain items that were previously reported as assets or liabilities as deferred outflows of resources or deferred inflows of resources, or the recognition of certain items that were previously reported as assets or liabilities as outflows (expenses) or inflows (revenues) of resources. These determinations are based on the definitions of those elements in GASB Concepts Statement No. 4, *Elements of Financial Statements*. The Town implemented this standard effective January 1, 2013, restating prior period amounts. See Note I.8. and Note V. for more information on the effect on the Town's financial position of the implementation of this standard.

11. Future GASB Statement Implementations

The GASB has issued Statement No. 68, *Accounting and Financial Reporting for Pensions*, which revises and establishes new financial reporting requirements for most governments that provide their employees with pension benefits. The Town provides its police officers with pension benefits through a multiple employer cost-sharing defined benefit retirement program administered by the Fire and Police Pension Association of Colorado (FPPA).

Note I. Summary of Significant Accounting Policies *(continued)*

Statement No. 68 requires cost-sharing employers participating in the FPPA program, such as the Town, to record their proportionate share, as defined in Statement No. 68, of FPPA's unfunded pension liability. The Town has no legal obligation to fund this shortfall nor does it have any ability to affect funding, benefits, or annual required contribution decisions made by the FPPA. The requirement of this Statement to record a portion of FPPA's unfunded liability, if any, would negatively impact the Town's future unrestricted net position. Statement No. 68 is effective for fiscal year 2015. At this time, Town management is unable to estimate the magnitude of any impact. Information regarding FPPA's current funding status can be found in its Comprehensive Annual Financial Report.

Note II. Stewardship, Compliance, and Accountability

A. Budgetary Information

The Town adopts annual budgets on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds. The budgets for proprietary funds are adopted on a non-GAAP modified accrual budgetary basis. All annual appropriations lapse at fiscal year-end. The Town does not adopt a budget for the Erie Housing Authority.

On or before October 15 of each year, the Town Administrator submits to the Town Board of Trustees a proposed operating budget for the fiscal year commencing on the following January 1. Study sessions and public hearings are conducted during Board of Trustee meetings to obtain input from elected officials, citizens, and other interested parties. By December 15, the final budget is adopted.

The appropriated budget is adopted by fund. The budget is prepared by fund, department, and division. Managers can make transfers between line items within their departments without Board approval. All other changes require Board approval. The Board made supplemental appropriations throughout the year, which are reflected in the final budget columns of the financial statements and schedules.

B. Expenditures in Excess of Budget

For the year ended December 31, 2013, the Town expended \$14,793 in excess of the amount budgeted for the Town's urban renewal authority. This over-expenditure was the result of underestimating certain consulting expenditures incurred in 2013. The consulting agreement giving rise to these expenditures had been approved by the Board.

C. Deficit Fund Equity

The Town of Erie Urban Renewal Authority had a deficit fund balance of \$4,065,293 as of December 31, 2013. The fund will continue to have a deficit fund balance until urban renewal projects are identified and resulting tax increment funding monies are collected through increased property or sales tax collections.

Note II. Stewardship, Compliance, and Accountability (continued)

The Town of Erie Housing Authority (EHA) had a deficit net position of \$1,632 as of December 31, 2013. This deficit is the result of the EHA having too few revenue generating units to cover the debt service and operating costs of the property. The Town is working with an area nonprofit to expand the property and ultimately transfer ownership of the property to this nonprofit. The Town is currently funding cash shortfalls of the EHA from its General Fund, which totaled \$18,137 in 2013.

Note III. Detailed Notes on All Funds

A. Deposits and Investments

Cash and investments are reported in the financial statements as follows:

Pooled cash and investments	\$ 55,232,518
Restricted cash and investments	<u>6,684,048</u>
Total	<u><u>\$ 61,916,566</u></u>

Cash and investments consist of the following:

Bank checking accounts	\$ 2,913,853
Bank money market accounts	39,625
Bank certificates of deposit	<u>7,828,771</u>
Total bank deposits	10,782,249
Investments	51,132,617
Cash on hand	<u>1,700</u>
Total	<u><u>\$ 61,916,566</u></u>

Deposits

As of December 31, 2013, the carrying amount of the Town's deposits was \$10,782,249.

Custodial Credit Risk

For deposits, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Town bank accounts at year-end were entirely covered by federal depository insurance or by eligible collateral maintained by another financial institution or held by the Town's custodial banks in its name under provisions of the Colorado Public Deposit Protection Act (CPDPA). The CPDPA requires financial institutions to pledge collateral having a market value of at least 102% of the aggregate public deposits not insured by federal depository insurance.

Note III. Detailed Notes on All Funds (continued)

Investments

As of December 31, 2013, the Town had the following investments:

Investment Type	Rating		Fair Value	Investment Maturities		Concentration of Credit Risk
	Moody's	S&P		Less than 1 Year	1 to 5 Years	
Federal Farm Credit Bank	Aaa	AA+	\$ 5,507,575	\$ 1,000,800	\$ 4,506,775	11%
Federal Home Loan Bank	Aaa	AA+	5,072,870	2,001,630	3,071,240	10%
Federal Home Loan Mortgage Corporation	Aaa	AA+	6,009,280	1,004,320	5,004,960	12%
Federal National Mortgage Association	Aaa	AA+	13,069,460	3,007,930	10,061,530	25%
Municipal Securities	Aa1/Aaa	AA+/AAA	1,994,160	-	1,994,160	4%
CSAFE	n/a	AAAm	14,827,343	14,827,343	-	29%
COLOTRUST PRIME	n/a	AAAm	1,872,512	1,872,512	-	4%
Federated Treasury Obligations Fund	Aaa-mf	AAAm	406,088	406,088	-	1%
Wells Fargo Treasury Money Market Fund	Aaa-mf	AAAm	2,373,329	2,373,329	-	4%
Total fair value			\$ 51,132,617	\$ 26,493,952	\$ 24,638,665	100%

It is the policy of the Town to invest its funds in a manner which will provide for the highest investment return consistent with the preservation of principal and provision of the liquidity necessary for daily cash flow demands. The Town's investment policy applies to all investment activity of the Town, under the control of the finance director. The Town Municipal Code, Section 2-1-4, authorizes the investments that the Town can hold. Investments of the Town may include obligations of the United States of America or its agencies thereof, certificates of deposit, bankers' acceptances, commercial paper, investment grade obligations of state and local governments, repurchase agreements collateralized by any of the foregoing securities, money market mutual funds, and local government investment pools.

As indicated above, Town policy includes certificates of deposit as part of the authorized investment portfolio. For GAAP reporting purposes, certificates of deposit are considered to be bank deposits and are therefore excluded from the investment schedule.

Interest Rate Risk

As a means of limiting its exposure to fair value losses arising from rising interest rates, the Town's investment policy limits the Town's investment portfolio to maturities of less than five years and a weighted average maturity of less than 3 years. Additionally, the Town structures its investment portfolio so that investments mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.

Credit Risk

Credit quality risk is the risk that the issuer or other counterparty to a debt security will not fulfill its obligations to the Town. The Town's investment policy limits investments to

Note III. Detailed Notes on All Funds (continued)

certain types of investments and diversifies the investment portfolio so the impact of potential losses from any one type of investment will be minimized.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the Town's investment in a single issuer. Pursuant to its investment policy, the Town has established various limits for issuers for each of the types of securities in which it is permitted to invest.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town's investment policy addresses this risk by requiring the pre-qualifying of financial institutions, broker/dealers, intermediaries, and advisers with which the Town does business to ensure that such risk is minimized.

Local Government Investment Pools

As shown in the table on page 55, the Town had investments in the Colorado Surplus Asset Fund Trust (CSAFE) and Colorado Government Liquid Asset Trust (COLOTRUST) at year-end. CSAFE and COLOTRUST are investment vehicles established for local government entities in Colorado to pool surplus funds. These funds were established under the authority of, and in conformity with, Part 7 of Article 75 of Title 24 of the Colorado Revised Statutes. The State of Colorado regulates these funds.

The funds operate similar to money market funds and each share is valued at \$1.00. Fund investments include U.S. Treasury bills, notes, note strips, and repurchase agreements collateralized by U.S. Treasury securities. Designated custodial banks provide safekeeping and depository services to these funds in connection with the funds' direct investment and withdrawal functions. The custodians' internal records identify investments owned by the funds. CSAFE financial statements can be obtained at www.csafe.org. COLOTRUST financial statements can be obtained at www.colotrust.com.

Note III. Detailed Notes on All Funds *(continued)*

B. Accounts Receivable

Receivables as of year-end for the Town's individual major funds and nonmajor funds, in the aggregate, are as follows:

	General	Nonmajor Governmental	Water	Wastewater	Nonmajor Proprietary	Total
Property taxes	\$ 3,030,370	\$ 964,480	\$ -	\$ -	\$ -	\$ 3,994,850
Sales taxes	508,042	-	-	-	-	508,042
Other taxes	204,447	-	-	-	-	204,447
Accounts, net of allowance for uncollectible accounts	305,697	-	507,571	516,941	49,363	1,379,572
Land fill fees	-	114,111	-	-	-	114,111
Intergovernmental	50,193	-	-	-	161,410	211,603
Interest	15,635	17,716	12,317	14,062	1,518	61,248
Total receivables	<u>\$ 4,114,384</u>	<u>\$ 1,096,307</u>	<u>\$ 519,888</u>	<u>\$ 531,003</u>	<u>\$ 212,291</u>	<u>\$ 6,473,873</u>

C. Capital Assets

Capital asset activity for the year ended December 31, 2013, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Construction in progress	\$ 2,190,465	\$ 1,523,996	\$ (1,637,195)	\$ 2,077,266
Land	9,235,837	2,705,721	-	11,941,558
Total capital assets, not being depreciated:	<u>11,426,302</u>	<u>4,229,717</u>	<u>(1,637,195)</u>	<u>14,018,824</u>
Capital assets, being depreciated:				
Buildings	29,688,076	69,924	(391,223)	29,366,777
Improvements other than buildings	62,814,978	2,328,483	(67,729)	65,075,732
Furniture and equipment	1,812,114	362,307	(73,343)	2,101,078
Vehicles	909,068	291,078	-	1,200,146
Total capital assets, being depreciated:	<u>95,224,236</u>	<u>3,051,792</u>	<u>(532,295)</u>	<u>97,743,733</u>
Less accumulated depreciation for:				
Buildings	(2,645,097)	(608,242)	119,210	(3,134,129)
Improvements other than buildings	(11,322,164)	(2,162,412)	37,503	(13,447,073)
Furniture and equipment	(1,267,223)	(135,447)	73,343	(1,329,327)
Vehicles	(857,571)	(55,406)	-	(912,977)
Total accumulated depreciation	<u>(16,092,055)</u>	<u>(2,961,507)</u>	<u>230,056</u>	<u>(18,823,506)</u>
Total capital assets, being depreciated, net	<u>79,132,181</u>	<u>90,285</u>	<u>(302,239)</u>	<u>78,920,227</u>
Governmental activities capital assets, net	<u>\$ 90,558,483</u>	<u>\$ 4,320,002</u>	<u>\$ (1,939,434)</u>	<u>\$ 92,939,051</u>

Note III. Detailed Notes on All Funds *(continued)*

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Construction in progress	\$ 5,948,327	\$ 2,132,715	\$ (3,503,595)	\$ 4,577,447
Land and reservoirs	4,620,549	3,132,988	-	7,753,537
Water rights	74,515,297	875,000	-	75,390,297
Total capital assets, not being depreciated:	85,084,173	6,140,703	(3,503,595)	87,721,281
Capital assets, being depreciated:				
Buildings	1,369,265	-	-	1,369,265
Improvements other than buildings	157,388,289	563,043	(268,770)	157,682,562
Machinery and equipment	804,253	36,511	-	840,764
Total capital assets, being depreciated:	159,561,807	599,554	(268,770)	159,892,591
Less accumulated depreciation for:				
Buildings ⁽¹⁾	(440,821)	(7,391)	-	(448,212)
Improvements other than buildings ⁽¹⁾	(25,151,886)	(4,640,893)	121,614	(29,671,165)
Machinery and equipment	(378,450)	(30,215)	-	(408,665)
Total accumulated depreciation	(25,971,157)	(4,678,499)	121,614	(30,528,042)
Total capital assets, being depreciated, net	133,590,650	(4,078,945)	(147,156)	129,364,549
Business-type activities capital assets, net	<u>\$ 218,674,823</u>	<u>\$ 2,061,758</u>	<u>\$ (3,650,751)</u>	<u>\$ 217,085,830</u>

(1) The beginning balance reflects the reclassification of \$29,022 in accumulated depreciation from "Improvements other than buildings" to "Buildings".

Depreciation expense charged to functions/programs of the primary government follows:

Governmental activities:

General government	\$ 65,628
Public safety	48,051
Public works	1,509,411
Parks and recreation	1,338,417

Total depreciation expense - governmental activities \$2,961,507

Business-type activities:

Water	\$2,669,956
Wastewater	1,543,684
Storm drainage	229,120
Airport	206,717
Housing authority	29,022

Total depreciation expense - business-type activities \$4,678,499

Note III. Detailed Notes on All Funds (continued)

D. Interfund Receivables, Payables, and Transfers

There was one interfund due from/due to relationship as of December 31, 2013. The Airport Fund owed the General Fund \$59,539 pending receipt of various grant funds which were due the Airport Fund as of December 31, 2013. This balance was repaid subsequent to year-end.

There was one advance from the General Fund at December 31, 2013, to the Town's urban renewal authority (URA) for \$4,000,961. The advance to the URA was made to pay for purchases of certain properties and for operating expenditures of the authority. This amount is not expected to be repaid in 2014.

Transfers to/from other funds for the year ending December 31, 2013, were as follows:

<u>Transfer Out</u>	<u>Transfer In</u>			<u>Total</u>
	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Nonmajor Proprietary Funds</u>	
General Fund	\$ -	\$ 2,796,543	\$ 18,137	\$ 2,814,680
Nonmajor governmental funds	2,169,348	-	-	2,169,348
Total	<u>\$ 2,169,348</u>	<u>\$ 2,796,543</u>	<u>\$ 18,137</u>	<u>\$ 4,984,028</u>

Transfers primarily reflect movement of revenues from the fund with collection authorization to the fund making the expenditure. The \$2,796,543 transfer from the General Fund represents a transfer of certain restricted funds previously recorded in the General Fund to the newly created Solid Waste/Streets Fund. The \$2,169,348 transfer to the General Fund reflects a transfer from the Solid Waste/Streets Fund for permitted uses of the revenues recorded in the Solid Waste/Streets Fund, but incurred by the General Fund. The \$18,137 transfer from the General Fund reflects a transfer to the Erie Housing Authority to provide working capital.

E. Short-term Debt

During 2013, the Town's urban renewal authority entered into an agreement to purchase certain real property. Terms of the purchase provided for a purchase price of \$895,000, with \$200,000 to be paid at closing. The remainder of the purchase price was in the form of a short-term noninterest bearing note in the amount of \$695,000, with payment due on May 8, 2013. The required payment was made on the due date. There was no other short-term debt outstanding during 2013.

Note III. Detailed Notes on All Funds (continued)

F. Long-term Debt

1. *General Obligation Bonds*

The Town issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have only been issued for governmental activities. General obligation bonds are direct obligations and pledge the full faith and credit of the government. They are payable primarily from real property taxes, in addition to various other funding sources. These bonds are issued as serial bonds with varying amounts of principal maturing each year.

General obligation bonds outstanding at December 31, 2013, are as follows:

Year Issued	Description	Interest Rate (%)	Final Maturity Date	Issued	Outstanding
2006	General obligation bonds	4.375 - 5.25	2026	\$ 16,800,000	\$ 4,585,000
2006	General obligation refunding bonds	4.25 - 4.50	2018	2,971,095	1,645,000
2013	General obligation refunding bonds	2.00 - 4.00	2026	8,460,000	<u>8,395,000</u>
Total general obligation bonds					<u><u>\$14,625,000</u></u>

Annual debt service requirements to maturity for general obligation bonds are as follows:

Year Ending December 31	Principal	Interest
2014	\$ 1,070,000	\$ 573,056
2015	1,120,000	526,406
2016	1,170,000	476,544
2017	1,225,000	425,469
2018	1,280,000	371,656
2019-2023	5,165,000	1,210,532
2024-2026	<u>3,595,000</u>	<u>229,800</u>
Total	<u><u>\$ 14,625,000</u></u>	<u><u>\$ 3,813,463</u></u>

Note III. Detailed Notes on All Funds (continued)

2. *Revenue Bonds and Loans*

The Town also issues bonds where the government pledges income derived from the acquired or constructed assets to pay debt service. The Town can also use other resources to pay debt service.

Revenue bonds and loans outstanding at year-end were as follows:

Year Issued	Description	Interest Rate (%)	Final Maturity Date	Issued	Outstanding
1979	Water revenue bonds	5.00	2019	\$ 290,000	\$ 86,000
1995	Storm drainage revenue loan	2.00	2035	498,512	321,791
1997	Wastewater revenue loan	4.54	2017	1,821,690	475,456
1997	Wastewater revenue loan	4.50	2017	500,000	141,318
2007	Water revenue bonds	5.00	2032	14,225,000	14,225,000
2007	Water revenue refunding bonds	4.25 - 5.00	2023	5,035,000	3,675,000
2008	Wastewater revenue bonds	4.00 - 4.75	2028	8,900,000	8,085,000
2008	Wastewater revenue refunding bonds	4.00	2017	985,000	475,000
2009	Wastewater revenue loan	2.00	2030	1,534,700	735,430
2009	Wastewater revenue loan	0.00	2030	2,000,000	1,650,000
2009	Wastewater revenue bonds	4.50 - 5.00	2037	10,650,000	10,650,000
2009	Water revenue refunding bonds	2.25 - 4.00	2023	6,390,000	4,785,000
2011	Water revenue refunding bonds	2.00 - 5.00	2023	10,098,045	<u>8,555,000</u>
Total revenue bonds and loans					<u><u>\$53,859,995</u></u>

Annual debt service requirements to maturity for revenue bonds and loans are as follows:

Year Ending December 31	Principal	Interest
2014	\$ 2,103,012	\$ 2,300,820
2015	2,185,514	2,220,503
2016	2,269,447	2,134,963
2017	2,344,156	2,062,767
2018	2,418,941	1,985,611
2019-2023	12,747,391	8,631,451
2024-2028	11,701,317	6,082,168
2029-2033	12,654,835	3,085,733
2034-2037	<u>5,435,382</u>	<u>692,315</u>
Total	<u>\$ 53,859,995</u>	<u>\$ 29,196,331</u>

Note III. Detailed Notes on All Funds *(continued)*

3. Certificates of Participation

The Town formed the Erie Finance Corporation (EFC) to issue certificates of participation (COPs) for the acquisition and construction of major capital additions and improvements. The COPs are secured by the underlying capital assets. Debt service payments are made from rents collected by EFC based upon annually renewable lease agreements between the Town and EFC. Payments are subject to annual appropriation and do not constitute a general obligation or other indebtedness or multiple fiscal year financial obligation of the Town within the meaning of any constitutional or statutory debt limitation.

The Town entered into its first COPs transaction in 2005. COPs in the amount of \$32,030,000 were issued to purchase Colorado-Big Thompson water shares. The 2005 COPs were retired in 2010, when the 2010 COPs were issued. The 2010 COPs carry a fixed rate of 2.7% through October 1, 2015. Rates become variable thereafter and may increase by up to 1.5% over the prior year's rate to a maximum of 15%. Actual interest rates will be established weekly by the remarketing agent after October 1, 2015. The COPs may be redeemed in whole or in part prior to maturity without penalty.

The following is a summary of 2010 COPs payments. The rate used for the variable rate period is an estimate of the approximate rate that would have been in effect at December 31, 2013, had the COPs been in their variable rate period.

Year Ending December 31	Principal	Interest	Total
2014	\$ 625,000	\$ 763,965	\$ 1,388,965
2015	645,000	747,090	1,392,090
2016	670,000	699,948	1,369,948
2017	695,000	682,595	1,377,595
2018	720,000	664,594	1,384,594
2019-2023	4,040,000	3,028,097	7,068,097
2024-2028	4,855,000	2,464,385	7,319,385
2029-2033	5,840,000	1,786,323	7,626,323
2034-2038	7,015,000	971,768	7,986,768
2039-2040	3,190,000	124,709	3,314,709
Total	<u>\$ 28,295,000</u>	<u>\$ 11,933,474</u>	<u>\$ 40,228,474</u>

Note III. Detailed Notes on All Funds (continued)

4. *Mortgages Payable*

The Town has two mortgages payable through its blended component unit, the Erie Housing Authority, as follows:

Year Issued	Purpose	Interest Rate (%)	Final Maturity Date	Issued	Outstanding
2000	FHLB forgivable loan	0.00	2016	\$ 60,000	\$ 60,000
2004	Mortgage loan	4.50	2014	860,021	698,942
					<u>\$ 758,942</u>

Annual debt service requirements to maturity for these mortgages are as follows:

Year Ending December 31	Principal	Interest	Total
2014	\$ 698,942	\$ 20,311	\$ 719,253
2015	-	-	-
2016	60,000	-	60,000
Total	<u>\$ 758,942</u>	<u>\$ 20,311</u>	<u>\$ 779,253</u>

5. *Capital Lease Obligations*

The Town entered into two capital lease agreements in 2013 for the purchase of a grader for street maintenance purposes and police car radios. The imputed interest rates on the leases range from 2.94% to 3.30%. The book value of the underlying assets was \$272,099 at December 31, 2013. The following is a schedule by year of future minimum lease obligations as of December 31, 2013:

Year Ending December 31	Lease Payments
2014	\$ 62,763
2015	62,762
2016	62,762
2017	62,764
2018	18,703
Total minimum lease payments	269,754
Less: amount representing interest	<u>(18,964)</u>
Present value of minimum lease payments	<u>\$ 250,790</u>

Note III. Detailed Notes on All Funds (continued)

6. *Defeasance of Debt*

On June 11, 2013, the Town issued \$8,460,000 in General Obligation Refunding Bonds, Series 2013, to purchase various securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of \$8,260,000 outstanding on a 2006 general obligation bond issue. As a result, the refunded debt is considered to be defeased and the liability has been removed from the governmental-type activities column of the statement of net position. The reacquisition price exceeded the net carrying amount of the old debt by \$1,186,985. This amount is being netted against the new debt and amortized over the life of the new debt, which has the same life as the refunded debt. This advance refunding was undertaken to reduce total debt service payments over the next 13 years by \$1,146,061 and resulted in an economic gain of \$1,009,092.

In prior years, the Town defeased certain general obligation, water, and wastewater revenue bonds by placing the proceeds of new bonds into irrevocable trusts to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Town's financial statements. These transactions resulted in economic gains to the Town. On December 31, 2013, defeased bonds had remaining balances outstanding of \$16,860,000.

7. *Changes in Long-term Liabilities*

Long-term liability activity for the year ended December 31, 2013, was as follows:

	(Restated) Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds and other debt payable:					
General obligation bonds	\$ 15,490,000	\$ 8,460,000	\$ (9,325,000)	\$ 14,625,000	\$ 1,070,000
Capital lease obligations	-	290,852	(40,062)	250,790	55,320
Less deferred amounts for issuance premiums	285,991	1,234,471	(221,778)	1,298,684	-
Total bonds and other debt payable	15,775,991	9,985,323	(9,586,840)	16,174,474	1,125,320
Compensated absences	372,750	470,735	(393,392)	450,093	265,167
Total governmental activities	<u>\$ 16,148,741</u>	<u>\$ 10,456,058</u>	<u>\$ (9,980,232)</u>	<u>\$ 16,624,567</u>	<u>\$ 1,390,487</u>
Business-type activities:					
Bonds, loans and other debt payable:					
Revenue bonds and loans	\$ 55,909,248	\$ -	\$ (2,049,253)	\$ 53,859,995	\$ 2,103,012
Certificates of participation	28,895,000	-	(600,000)	28,295,000	625,000
Mortgages payable	781,683	-	(22,741)	758,942	698,942
Capital lease obligations	2,441,007	-	(2,441,007)	-	-
Less deferred amounts for issuance premiums and discounts	1,216,141	-	(93,061)	1,123,080	-
Total bonds, loans and other debt payable	89,243,079	-	(5,206,062)	84,037,017	3,426,954
Compensated absences	167,524	214,898	(176,741)	205,681	123,216
Total business-type activities	<u>\$ 89,410,603</u>	<u>\$ 214,898</u>	<u>\$ (5,382,803)</u>	<u>\$ 84,242,698</u>	<u>\$ 3,550,170</u>

Note III. Detailed Notes on All Funds *(continued)*

G. Retirement Plans

1. Police Officers

a. Plan Description

The Town contributes to a statewide defined benefit pension plan, a cost-sharing multiple-employer defined benefit pension plan, which is administered by the Fire and Police Pension Association of Colorado (FPPA). Assets of the plan are commingled for investment purposes in the Fire and Police Member's Benefit Investment Fund. The plan provides retirement benefits for members and beneficiaries according to plan provisions as enacted and governed by the Pension Fund Board of Trustees. Colorado Revised Statutes (CRS), as amended, establish basic benefit provisions under the plan. FPPA issues an annual, publicly-available financial report that includes the assets of the plan. That report may be obtained by calling FPPA at (303) 770-3772 in the Denver Metro area, or 1-800-332-3772 from outside the metro area, or from their web site at www.fppaco.org.

b. Basis of Accounting

The financial statements of the Statewide Defined Benefit Plan are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. The Statewide Defined Benefit Plan investments are presented at fair value except for short-term investments which are recorded at cost, which approximates fair value.

c. Funding Policy

Plan members and the Town are required to contribute at a rate set by statute. The contribution requirements of plan members and the Town are established under Title 31, Article 30, Part 10 of the CRS, as amended. The contribution rate for both members and the Town is 8% of covered salary. For the years ending December 31, 2013, 2012, and 2011, the Town's contributions to the FPPA Pension Plan were \$116,331, \$113,156 and \$109,979, respectively, equal to their required contributions for each year.

2. General Employees

The Town contributes to a defined contribution plan established for non-Police employees.

Plan name:	The Town of Erie Savings Plan
Plan administrator:	The Standard (a third party trustee)

Note III. Detailed Notes on All Funds (continued)

The plan was established by authority of the Town Board and can be amended by the Plan Trustees (Town Administrator and Finance Director). The Board establishes and may amend contribution requirements.

The plan is available to all non-Police benefited employees (full time employees and part time employees working at least 24 hours per week). The plan was created in accordance with Internal Revenue Code (IRC) Section 401(a). Employees are eligible to participate on the first day of each new calendar quarter.

Under the terms of the plan the Town is the only non-employee contributor and matches the first 0–5% of employee contributions. Participants are not required to contribute to the plan, but may contribute up to \$16,500 per year (\$22,000 for employees over 50). Employer contributions are based on the participant's salary (salary, pay, or earned income less salary reductions made under IRC §125). During 2013, the Town made all required contributions to the plan, contributing \$220,149. Employees contributed \$369,377.

Employees vest immediately. Employees have a non-forfeitable interest in the employer contributions to their accounts at The Standard. No voluntary after-tax contributions are allowed. Since a third party trustee holds the assets in trust, they are not reflected in the Town's financial statements.

Note IV. Other Information

A. Risk Management

The Town purchases liability, property, and workers' compensation insurance from private insurance carriers. The Town paid \$218,484 for insurance in 2013 and maintains the following amounts of coverage with the amount of any deductibles (retained risk) indicated:

<u>Coverage</u>	<u>Amount</u>	<u>Deductible</u>
Building	\$74,163,038	\$ 2,500
Personal property	22,017,602	2,500
EDP	586,500	2,500
Business interruption & extra expense	630,500	72 Hours
General liability	5,000,000	2,500
Automobile liability	1,500,000	1,000
Workers' compensation	500,000	2,500

Settlements have not exceeded coverages for each of the past three fiscal years.

Note IV. Other Information (*continued*)

B. Litigation

The Town is currently the defendant in several lawsuits. Some of the lawsuits are in the process of settlement, and do not involve significant claims. There does not appear to be a threat of significant liability to the Town from those lawsuits. In addition, there are several claims asserted against the Town. Legal counsel is of the opinion that insurance carried by the Town is sufficient to cover any potential adverse settlements from those claims covered by insurance. As to those claims which may not be covered by insurance, legal counsel is unable to form an opinion as to any potential adverse settlements.

C. Commitments

The Town has several capital asset construction and acquisition projects in process. As a result of these projects, the Town has remaining outstanding commitments of \$1,866,837 to various general contractors and vendors.

The Town is also participating in several raw water storage and delivery projects with the Northern Colorado Water Conservancy District. In 2013, the Town contributed \$162,500 to the Northern Integrated Supply Project and \$69,622 to the Windy Gap Firing Project. Future years' contributions to these projects depend on the Board of Trustees election to participate.

D. Contingent Liabilities

Federal grants are subject to audit which could result in disallowed costs, the amount which is undeterminable at December 31, 2013. If any costs are disallowed in the future, the Town expects them to be insignificant.

E. Annexation and Developer Agreements

The Town has entered into several annexation and developer agreements with various developers of residential/commercial developments. Among other things, these agreements indicate whether the Town or the developer is responsible for construction of infrastructure and other improvements such as water, wastewater and storm drainage infrastructure, streets, trails, parks and similar capital improvements required to support the development. The Town's portion of these costs will be paid primarily from tap and impact fees collected from these developments.

F. Tax, Spending, and Debt Limitations

On November 3, 1992, the voters of the State approved Article X, Section 20, to the State Constitution (the Amendment). The Amendment provides for several limitations on government activities, including those related to revenue, expenditures, property taxes, and issuance of debt. These provisions of the Constitution are complex and subject to judicial interpretation. In the opinion of management, the Town is in compliance with such provisions.

Note IV. Other Information (continued)

The Amendment provides for exceptions related to “enterprises”, defined as government-owned businesses authorized to issue revenue bonds and receiving less than 10% of its annual revenue in grants from all state and local governments combined. The Town's management is of the opinion that its Water, Wastewater, Storm Drainage, and Airport operations qualify for this exclusion.

In 1994, the Town's electorate authorized the Town to retain any revenues in excess of the limits imposed by the Amendment, pursuant to its existing sales and use tax code and general taxes on all taxable property without any increase in sales and use tax rates or increase in the general property tax mill levy. This effectively removed all revenue and spending limits imposed by Amendment. However, any future tax rate or tax code changes increasing tax revenues are subject to voter approval.

G. Emergency Reserve

The Town Board approved a resolution creating an emergency reserve as required by Article X, Section 20, of the Colorado Constitution. The December 31, 2013, amount of \$485,302 is based on the requirements of Article X, Section 20.

Note V. Restatement

As discussed in Note I.10., during 2013 the Town adopted GASB Statement no. 65, *Items Previously Reported as Assets and Liabilities*. For the Town, the effect of implementing this standard was to change how it accounts for debt issuance costs. This statement requires that debt issuance costs be expensed in the current period rather than capitalized and amortized over the life of the related debt issue. Adoption of the standard resulted in the following changes as of January 1, 2013: a decrease of \$156,259 for the Governmental Activities and a decrease of \$814,054 for Business-type Activities, which included decreases of \$564,790 for the Water Fund, \$242,951 for the Wastewater Fund, and \$6,313 for the Erie Housing Authority.

Combining and Individual Fund Statements and Schedules

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Town of Erie

Nonmajor Governmental Funds

Special Revenue Funds - Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Conservation Trust Fund: Accounts for revenues received from the Colorado State Lottery proceeds through the State's Conservation Trust Fund. It is used to acquire, develop, and maintain new conservation sites; and for capital improvements or maintenance for recreational purposes on any public site.

Cemetery Fund: Accounts for revenues received from plot purchases at the municipal cemetery. Money is used for perpetual care expenditures at the cemetery.

Forfeiture and Seizure Fund: Accounts for forfeitures as a result of asset seizures relating to convictions for drug-related offenses. Money is used to purchase goods and services related to law enforcement.

Trails and Natural Areas Fund: Accounts for property tax revenues used to acquire and construct trails; and acquire and develop natural areas for public use.

Solid Waste/Streets Fund: Accounts for landfill fees used for capital improvements and maintenance of solid waste and street-related purposes.

Capital Projects Funds - Capital projects funds are used to account for the acquisition and construction of major capital facilities.

Public Facilities Impact Fund: Accounts for impact fee revenues used to construct and acquire public facilities.

Transportation Impact Fund: Accounts for impact fee revenues used to construct and acquire transportation system enhancements.

Parks Improvement Impact Fund: Accounts for impact fee revenues used to construct and acquire parks and related improvements.

Tree Impact Fund: Accounts for impact fee revenues used to acquire and plant trees in public locations, and to issue certificates for tree purchases to homeowners of newly constructed homes.

Storm Drainage Impact Fund: Accounts for impact fee revenues used to acquire and construct the storm drainage system.

Town of Erie, Colorado
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2013

	Total Nonmajor Special Revenue Funds	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS			
Pooled Cash and Investments	\$ 7,149,696	\$ 11,000,038	\$ 18,149,734
Receivables	1,085,285	11,022	1,096,307
Total Assets	<u>\$ 8,234,981</u>	<u>\$ 11,011,060</u>	<u>\$ 19,246,041</u>
LIABILITIES			
Accounts Payable	\$ 256,620	\$ 20,631	\$ 277,251
Wages Payable	3,851	-	3,851
Unearned Revenue	500,000	-	500,000
Total Liabilities	<u>760,471</u>	<u>20,631</u>	<u>781,102</u>
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	<u>964,378</u>	<u>-</u>	<u>964,378</u>
Total Deferred Inflows of Resources	<u>964,378</u>	<u>-</u>	<u>964,378</u>
FUND BALANCES			
Restricted for:			
Capital Projects	-	10,990,429	10,990,429
Parks and Open Space	4,315,809	-	4,315,809
Public Safety	6,161	-	6,161
Solid Waste/Streets	2,170,175	-	2,170,175
Committed to:			
Cemetery Operations	<u>17,987</u>	<u>-</u>	<u>17,987</u>
Total Fund Balances	<u>6,510,132</u>	<u>10,990,429</u>	<u>17,500,561</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 8,234,981</u>	<u>\$ 11,011,060</u>	<u>\$ 19,246,041</u>

Town of Erie, Colorado
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2013

	Total Nonmajor Special Revenue Funds	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
REVENUES			
Taxes	\$ 932,670	\$ -	\$ 932,670
Intergovernmental	179,226	-	179,226
Fees and Charges for Services	1,524,245	-	1,524,245
Capital Contributions and Fees	-	1,957,850	1,957,850
Investment Earnings	26,243	34,599	60,842
Total Revenues	2,662,384	1,992,449	4,654,833
EXPENDITURES			
Current Operating:			
Parks and Recreation	132,986	-	132,986
Capital Outlay	1,116,185	629,012	1,745,197
Total Expenditures	1,249,171	629,012	1,878,183
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,413,213	1,363,437	2,776,650
OTHER FINANCING SOURCES (USES)			
Transfers In	2,796,543	-	2,796,543
Transfers Out	(2,160,648)	(8,700)	(2,169,348)
Total Other Financing Sources (Uses)	635,895	(8,700)	627,195
Net Change in Fund Balance	2,049,108	1,354,737	3,403,845
Fund Balance - Beginning	4,461,024	9,635,692	14,096,716
Fund Balance - Ending	\$ 6,510,132	\$ 10,990,429	\$ 17,500,561

Town of Erie, Colorado
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2013

	Conservation Trust Fund	Cemetery Fund	Forfeiture and Seizure Fund	Trails and Natural Areas Fund
ASSETS				
Pooled Cash and Investments	\$ 419,249	\$ 146,539	\$ 6,161	\$ 4,023,763
Receivables	394	168	-	968,532
Total Assets	<u>\$ 419,643</u>	<u>\$ 146,707</u>	<u>\$ 6,161</u>	<u>\$ 4,992,295</u>
LIABILITIES				
Accounts Payable	\$ -	\$ 128,720	\$ -	\$ 127,900
Wages Payable	3,851	-	-	-
Unearned Revenue	-	-	-	-
Total Liabilities	<u>3,851</u>	<u>128,720</u>	<u>-</u>	<u>127,900</u>
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	-	-	-	964,378
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>964,378</u>
FUND BALANCES				
Restricted for:				
Parks and Open Space	415,792	-	-	3,900,017
Public Safety	-	-	6,161	-
Solid Waste/Streets	-	-	-	-
Committed to:				
Cemetery Operations	-	17,987	-	-
Total Fund Balances	<u>415,792</u>	<u>17,987</u>	<u>6,161</u>	<u>3,900,017</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 419,643</u>	<u>\$ 146,707</u>	<u>\$ 6,161</u>	<u>\$ 4,992,295</u>

Solid Waste/ Streets Fund	Total
\$ 2,553,984	\$ 7,149,696
116,191	1,085,285
<u>\$ 2,670,175</u>	<u>\$ 8,234,981</u>
\$ -	\$ 256,620
-	3,851
500,000	500,000
<u>500,000</u>	<u>760,471</u>
-	964,378
-	964,378
-	4,315,809
-	6,161
2,170,175	2,170,175
-	17,987
2,170,175	6,510,132
<u>\$ 2,670,175</u>	<u>\$ 8,234,981</u>

Town of Erie, Colorado
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2013

	Conservation Trust Fund	Cemetery Fund	Forfeiture and Seizure Fund	Trails and Natural Areas Fund
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ 932,670
Intergovernmental	179,226	-	-	-
Fees and Charges for Services	-	2,600	-	-
Investment Earnings	981	528	-	12,099
Total Revenues	180,207	3,128	-	944,769
EXPENDITURES				
Current Operating:				
Parks and Recreation	126,686	-	-	6,300
Capital Outlay	-	128,720	-	987,465
Total Expenditures	126,686	128,720	-	993,765
Excess (Deficiency) of Revenues Over (Under) Expenditures	53,521	(125,592)	-	(48,996)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	53,521	(125,592)	-	(48,996)
Fund Balance - Beginning	362,271	143,579	6,161	3,949,013
Fund Balance - Ending	\$ 415,792	\$ 17,987	\$ 6,161	\$ 3,900,017

Solid Waste/ Streets Fund	Total
\$ -	\$ 932,670
-	179,226
1,521,645	1,524,245
12,635	26,243
<u>1,534,280</u>	<u>2,662,384</u>
-	132,986
-	<u>1,116,185</u>
-	<u>1,249,171</u>
<u>1,534,280</u>	<u>1,413,213</u>
2,796,543	2,796,543
<u>(2,160,648)</u>	<u>(2,160,648)</u>
<u>635,895</u>	<u>635,895</u>
2,170,175	2,049,108
-	<u>4,461,024</u>
<u>\$ 2,170,175</u>	<u>\$ 6,510,132</u>

Town of Erie, Colorado
Conservation Trust Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended December 31, 2013

	Budgeted Amounts			Variance With
	Original	Final		Final Budget
	Budget	Budget	Actual	Positive
				(Negative)
REVENUES				
Intergovernmental	\$ 138,400	\$ 175,000	\$ 179,226	\$ 4,226
Investment Earnings	3,200	3,200	981	(2,219)
Total Revenues	141,600	178,200	180,207	2,007
EXPENDITURES				
Current Operating:				
Parks and Recreation	130,700	128,900	126,686	2,214
Total Expenditures	130,700	128,900	126,686	2,214
Excess (Deficiency) of Revenues Over (Under) Expenditures	10,900	49,300	53,521	4,221
Net Change in Fund Balance	\$ 10,900	\$ 49,300	53,521	\$ 4,221
Fund Balance - Beginning			362,271	
Fund Balance - Ending			\$ 415,792	

Town of Erie, Colorado
Cemetery Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended December 31, 2013

	Budgeted Amounts			Variance With
	Original	Final		Final Budget
	Budget	Budget	Actual	Positive
				(Negative)
REVENUES				
Fees and Charges for Services	\$ 3,000	\$ 3,000	\$ 2,600	\$ (400)
Capital Contributions and Fees	-	228,400	-	(228,400)
Investment Earnings	700	700	528	(172)
Total Revenues	3,700	232,100	3,128	(228,972)
EXPENDITURES				
Capital Outlay	-	228,400	128,720	99,680
Total Expenditures	-	228,400	128,720	99,680
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,700	3,700	(125,592)	(129,292)
Net Change in Fund Balance	\$ 3,700	\$ 3,700	(125,592)	\$ (129,292)
Fund Balance - Beginning			143,579	
Fund Balance - Ending			\$ 17,987	

Town of Erie, Colorado
Forfeiture and Seizure Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended December 31, 2013

	Budgeted Amounts			Variance With
	Original	Final		Final Budget
	Budget	Budget	Actual	Positive
				(Negative)
REVENUES				
Investment Earnings	\$ -	\$ 100	\$ -	\$ (100)
Total Revenues	-	100	-	(100)
EXPENDITURES				
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	100	-	(100)
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ 100</u>	-	<u>\$ (100)</u>
Fund Balance - Beginning			<u>6,161</u>	
Fund Balance - Ending			<u>\$ 6,161</u>	

Town of Erie, Colorado
Trails and Natural Areas Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended December 31, 2013

	Budgeted Amounts			Variance With
	Original	Final		Final Budget
	Budget	Budget	Actual	Positive
				(Negative)
REVENUES				
Taxes	\$ 938,000	\$ 933,000	\$ 932,670	\$ (330)
Investment Earnings	18,200	18,200	12,099	(6,101)
Total Revenues	956,200	951,200	944,769	(6,431)
EXPENDITURES				
Current Operating:				
Parks and Recreation	-	10,000	6,300	3,700
Capital Outlay	1,990,000	2,084,030	987,465	1,096,565
Total Expenditures	1,990,000	2,094,030	993,765	1,100,265
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,033,800)	(1,142,830)	(48,996)	1,093,834
Net Change in Fund Balance	<u>\$ (1,033,800)</u>	<u>\$ (1,142,830)</u>	(48,996)	<u>\$ 1,093,834</u>
Fund Balance - Beginning			<u>3,949,013</u>	
Fund Balance - Ending			<u>\$ 3,900,017</u>	

Town of Erie, Colorado
Solid Waste/Streets Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended December 31, 2013

	Budgeted Amounts			Variance With
	Original	Final		Final Budget
	Budget	Budget	Actual	Positive
				(Negative)
REVENUES				
Fees and Charges for Services	\$ -	\$ 1,350,000	\$ 1,521,645	\$ 171,645
Investment Earnings	-	-	12,635	12,635
Total Revenues	-	1,350,000	1,534,280	184,280
EXPENDITURES				
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	1,350,000	1,534,280	184,280
OTHER FINANCING SOURCES (USES)				
Transfers In	-	2,796,543	2,796,543	-
Transfers Out	-	(2,365,200)	(2,160,648)	204,552
Total Other Financing Sources (Uses)	-	431,343	635,895	204,552
Net Change in Fund Balance	\$ -	\$ 1,781,343	2,170,175	\$ 388,832
Fund Balance - Beginning			-	
Fund Balance - Ending			\$ 2,170,175	

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Town of Erie, Colorado
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2013

	Public Facilities Impact Fund	Transportation Impact Fund	Parks Improvement Impact Fund	Tree Impact Fund
ASSETS				
Pooled Cash and Investments	\$ 2,590,852	\$ 3,959,038	\$ 205,397	\$ 240,363
Receivables	2,587	3,936	225	225
Total Assets	<u>\$ 2,593,439</u>	<u>\$ 3,962,974</u>	<u>\$ 205,622</u>	<u>\$ 240,588</u>
LIABILITIES				
Accounts Payable	\$ -	\$ 6,415	\$ -	\$ 11,373
Total Liabilities	<u>-</u>	<u>6,415</u>	<u>-</u>	<u>11,373</u>
FUND BALANCES				
Restricted for:				
Capital Projects	<u>2,593,439</u>	<u>3,956,559</u>	<u>205,622</u>	<u>229,215</u>
Total Fund Balances	<u>2,593,439</u>	<u>3,956,559</u>	<u>205,622</u>	<u>229,215</u>
Total Liabilities and Fund Balances	<u>\$ 2,593,439</u>	<u>\$ 3,962,974</u>	<u>\$ 205,622</u>	<u>\$ 240,588</u>

Storm Drainage Impact Fund	Total
\$ 4,004,388	\$ 11,000,038
4,049	11,022
<u>\$ 4,008,437</u>	<u>\$ 11,011,060</u>
\$ 2,843	\$ 20,631
2,843	20,631
4,005,594	10,990,429
4,005,594	10,990,429
<u>\$ 4,008,437</u>	<u>\$ 11,011,060</u>

Town of Erie, Colorado
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2013

	Public Facilities Impact Fund	Transportation Impact Fund	Parks Improvement Impact Fund	Tree Impact Fund
REVENUES				
Capital Contributions and Fees	\$ 450,838	\$ 517,335	\$ 536,920	\$ 73,400
Investment Earnings	7,842	11,728	1,865	895
Total Revenues	458,680	529,063	538,785	74,295
EXPENDITURES				
Capital Outlay	87,454	48,315	101,555	164,886
Total Expenditures	87,454	48,315	101,555	164,886
Excess (Deficiency) of Revenues Over (Under) Expenditures	371,226	480,748	437,230	(90,591)
OTHER FINANCING SOURCES (USES)				
Transfers Out	(8,700)	-	-	-
Total Other Financing Sources (Uses)	(8,700)	-	-	-
Net Change in Fund Balance	362,526	480,748	437,230	(90,591)
Fund Balance - Beginning	2,230,913	3,475,811	(231,608)	319,806
Fund Balance - Ending	\$ 2,593,439	\$ 3,956,559	\$ 205,622	\$ 229,215

Storm Drainage Impact Fund	Total
\$ 379,357	\$ 1,957,850
12,269	34,599
<u>391,626</u>	<u>1,992,449</u>
 226,802	 629,012
<u>226,802</u>	<u>629,012</u>
 164,824	 1,363,437
<u>-</u>	<u>(8,700)</u>
 -	 (8,700)
<u>164,824</u>	<u>1,354,737</u>
 3,840,770	 9,635,692
<u>\$ 4,005,594</u>	<u>\$ 10,990,429</u>

Town of Erie, Colorado
Public Facilities Impact Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended December 31, 2013

	Budgeted Amounts			Variance With Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Capital Contributions and Fees	\$ 289,800	\$ 433,900	\$ 450,838	\$ 16,938
Investment Earnings	900	4,900	7,842	2,942
Total Revenues	290,700	438,800	458,680	19,880
EXPENDITURES				
Capital Outlay	8,700	254,400	87,454	166,946
Total Expenditures	8,700	254,400	87,454	166,946
Excess (Deficiency) of Revenues Over (Under) Expenditures	282,000	184,400	371,226	186,826
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	(8,700)	(8,700)	-
Total Other Financing Sources (Uses)	-	(8,700)	(8,700)	-
Net Change in Fund Balance	\$ 282,000	\$ 175,700	362,526	\$ 186,826
Fund Balance - Beginning			2,230,913	
Fund Balance - Ending			\$ 2,593,439	

Town of Erie, Colorado
Transportation Impact Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended December 31, 2013

	Budgeted Amounts			Variance With
	Original	Final		Final Budget
	Budget	Budget	Actual	Positive
				(Negative)
REVENUES				
Capital Contributions and Fees	\$ 285,500	\$ 402,700	\$ 517,335	\$ 114,635
Investment Earnings	13,000	13,000	11,728	(1,272)
Total Revenues	298,500	415,700	529,063	113,363
EXPENDITURES				
Capital Outlay	1,530,000	1,801,000	48,315	1,752,685
Total Expenditures	1,530,000	1,801,000	48,315	1,752,685
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,231,500)	(1,385,300)	480,748	1,866,048
OTHER FINANCING SOURCES (USES)				
Transfers Out	(157,800)	-	-	-
Total Other Financing Sources (Uses)	(157,800)	-	-	-
Net Change in Fund Balance	\$ (1,389,300)	\$ (1,385,300)	480,748	\$ 1,866,048
Fund Balance - Beginning			3,475,811	
Fund Balance - Ending			\$ 3,956,559	

Town of Erie, Colorado
Parks Improvement Impact Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended December 31, 2013

	Budgeted Amounts			Variance With
	Original	Final		Final Budget
	Budget	Budget	Actual	Positive
				(Negative)
REVENUES				
Capital Contributions and Fees	\$ 324,750	\$ 519,600	\$ 536,920	\$ 17,320
Investment Earnings	500	2,000	1,865	(135)
Total Revenues	325,250	521,600	538,785	17,185
EXPENDITURES				
Capital Outlay	48,200	142,900	101,555	41,345
Total Expenditures	48,200	142,900	101,555	41,345
Excess (Deficiency) of Revenues Over (Under) Expenditures	277,050	378,700	437,230	58,530
Net Change in Fund Balance	\$ 277,050	\$ 378,700	437,230	\$ 58,530
Fund Balance - Beginning			(231,608)	
Fund Balance - Ending			\$ 205,622	

Town of Erie, Colorado
Tree Impact Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended December 31, 2013

	Budgeted Amounts			Variance With
	Original	Final		Final Budget
	Budget	Budget	Actual	Positive
				(Negative)
REVENUES				
Capital Contributions and Fees	\$ 45,000	\$ 72,000	\$ 73,400	\$ 1,400
Investment Earnings	400	400	895	495
Total Revenues	45,400	72,400	74,295	1,895
EXPENDITURES				
Capital Outlay	234,600	184,600	164,886	19,714
Total Expenditures	234,600	184,600	164,886	19,714
Excess (Deficiency) of Revenues Over (Under) Expenditures	(189,200)	(112,200)	(90,591)	21,609
Net Change in Fund Balance	<u>\$ (189,200)</u>	<u>\$ (112,200)</u>	(90,591)	<u>\$ 21,609</u>
Fund Balance - Beginning			<u>319,806</u>	
Fund Balance - Ending			<u><u>\$ 229,215</u></u>	

Town of Erie, Colorado
Storm Drainage Impact Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended December 31, 2013

	Budgeted Amounts			Variance With
	Original	Final		Final Budget
	Budget	Budget	Actual	Positive
				(Negative)
REVENUES				
Capital Contributions and Fees	\$ 201,400	\$ 312,000	\$ 379,357	\$ 67,357
Investment Earnings	18,100	18,100	12,269	(5,831)
Total Revenues	219,500	330,100	391,626	61,526
EXPENDITURES				
Capital Outlay	625,000	962,000	226,802	735,198
Total Expenditures	625,000	962,000	226,802	735,198
Excess (Deficiency) of Revenues Over (Under) Expenditures	(405,500)	(631,900)	164,824	796,724
Net Change in Fund Balance	\$ (405,500)	\$ (631,900)	164,824	\$ 796,724
Fund Balance - Beginning			3,840,770	
Fund Balance - Ending			\$ 4,005,594	

Town of Erie
Proprietary Funds

Nonmajor Proprietary Funds:

Storm Drainage Operating Fund: Accounts for storm drainage charges received from system users. This money is used to construct and maintain the storm drainage system.

Airport Fund: Accounts for airport fees received from airport users, as well as proceeds from federal and state aviation grants. This money is used to construct and maintain the municipal airport.

Erie Housing Authority Fund: Accounts for rents received from authority tenants as well as federal subsidies for low income tenants. This money is used to maintain these housing facilities.

**Statements of Revenues, Expenses, and Changes in Fund Net Position –
Actual and Budget (Non-GAAP Budgetary Basis):**

This section also presents budgetary comparisons for the following funds:

Water Fund

Wastewater Fund

Storm Drainage Operating Fund

Airport Fund

Town of Erie, Colorado
Combining Statement of Net Position
Nonmajor Proprietary Funds
December 31, 2013

	Storm Drainage Operating Fund	Airport Fund	Erie Housing Authority	Total Nonmajor Proprietary Funds
ASSETS				
Current Assets				
Pooled Cash and Investments	\$ 1,511,836	\$ -	\$ 2,971	\$ 1,514,807
Restricted Cash and Investments	-	-	4,033	4,033
Receivables	49,504	161,533	1,254	212,291
Prepaid Items	-	8,502	-	8,502
Total Current Assets	1,561,340	170,035	8,258	1,739,633
Noncurrent Assets				
Capital Assets				
Construction in Progress	70,950	401,082	-	472,032
Land and Water Rights	63,705	592,295	-	656,000
Buildings, Property, and Equipment	11,416,015	5,175,647	1,160,900	17,752,562
Accumulated Depreciation	(2,159,289)	(1,443,951)	(370,037)	(3,973,277)
Total Capital Assets	9,391,381	4,725,073	790,863	14,907,317
Total Noncurrent Assets	9,391,381	4,725,073	790,863	14,907,317
Total Assets	10,952,721	4,895,108	799,121	16,646,950
LIABILITIES				
Current Liabilities				
Accounts Payable	4,288	68,654	37,611	110,553
Accrued Interest Payable	4,827	-	-	4,827
Wages Payable	2,909	128	-	3,037
Other Liabilities	-	-	4,200	4,200
Due to Other Funds	-	59,539	-	59,539
Compensated Absences	3,159	187	-	3,346
Current Portion of Long Term Debt				
Loans Payable	11,788	-	-	11,788
Mortgages Payable	-	-	698,942	698,942
Total Current Liabilities	26,971	128,508	740,753	896,232
Noncurrent Liabilities				
Compensated Absences	240	142	-	382
Long Term Debt, Net of Unamortized Premiums and Discounts				
Loans Payable	310,003	-	-	310,003
Mortgages Payable	-	-	60,000	60,000
Total Noncurrent Liabilities	310,243	142	60,000	370,385
Total Liabilities	337,214	128,650	800,753	1,266,617
NET POSITION				
Net Investment in Capital Assets	9,069,590	4,725,073	31,921	13,826,584
Unrestricted	1,545,917	41,385	(33,553)	1,553,749
Total Net Position	\$ 10,615,507	\$ 4,766,458	\$ (1,632)	\$ 15,380,333

Town of Erie, Colorado
Combining Statement of Revenues, Expenses, and Changes in Net Position
Nonmajor Proprietary Funds
For the Year Ended December 31, 2013

	Storm Drainage Operating Fund	Airport Fund	Erie Housing Authority Fund	Total Nonmajor Proprietary Funds
OPERATING REVENUES				
Charges for Services	\$ 411,862	\$ 7,530	\$ 78,608	\$ 498,000
OPERATING EXPENSES				
Personnel Services	105,604	3,658	-	109,262
Operations and Maintenance	105,933	184,451	51,381	341,765
Depreciation	229,120	206,717	29,022	464,859
Total Operating Expenses	440,657	394,826	80,403	915,886
Net Operating Loss	(28,795)	(387,296)	(1,795)	(417,886)
NON-OPERATING REVENUES (EXPENSES)				
Investment Earnings	4,636	70	2	4,708
Intergovernmental	-	66,438	-	66,438
Other Non-Operating Income	1,320	41,988	669	43,977
Interest Expense	(6,494)	-	(31,060)	(37,554)
Loss on Disposition of Capital Assets	-	(50,822)	-	(50,822)
Total Non-Operating Revenues (Expenses)	(538)	57,674	(30,389)	26,747
Income (Loss) Before Capital Contributions and Transfers	(29,333)	(329,622)	(32,184)	(391,139)
Capital Contributions	10,007	360,969	-	370,976
Transfers In	-	-	18,137	18,137
Change in Net Position	(19,326)	31,347	(14,047)	(2,026)
Total Net Position - Beginning - As Adjusted	10,634,833	4,735,111	12,415	15,382,359
Total Net Position - Ending	\$ 10,615,507	\$ 4,766,458	\$ (1,632)	\$ 15,380,333

Town of Erie, Colorado
Combining Statement of Cash Flows
Nonmajor Proprietary Funds
For the Year Ended December 31, 2013

	Storm Drainage Operating Fund	Airport Fund	Erie Housing Authority	Total Nonmajor Proprietary Funds
Cash Flows from Operating Activities				
Receipts from Customers and Users	\$ 413,325	\$ 49,615	\$ 77,354	\$ 540,294
Payments to Employees	(109,365)	(3,540)	-	(112,905)
Payments to Suppliers	(103,645)	(171,753)	(49,862)	(325,260)
Net Cash Provided by (Used in) Operating Activities	200,315	(125,678)	27,492	102,129
Cash Flows from Non-capital Financing Activities				
Operating Grants	-	106,691	-	106,691
Advance from Other Funds	-	59,539	-	59,539
Transfer from Other Funds	-	-	18,137	18,137
Cash Flows Provided by Non-capital Financing Activities	-	166,230	18,137	184,367
Cash Flows from Capital and Related Financing Activities				
Receipts from Capital Grants	-	314,786	-	314,786
Acquisition and Construction of Capital Assets	(97,839)	(404,144)	1	(501,982)
Principal Paid on Capital Debt	(11,557)	-	(22,741)	(34,298)
Interest Paid on Capital Debt	(6,667)	-	(34,434)	(41,101)
Capital Contributions	10,007	-	-	10,007
Cash Flows Used in Capital and Related Financing Activities	(106,056)	(89,358)	(57,174)	(252,588)
Cash Flows from Investing Activities				
Purchase of Investments	-	-	(241)	(241)
Earnings on Investments	4,427	171	2	4,600
Cash Flows Provided by (Used in) Investing Activities	4,427	171	(239)	4,359
Net Increase (Decrease) in Pooled Cash and Investments	98,686	(48,635)	(11,784)	38,267
Pooled Cash and Investments - January 1	1,413,150	48,635	14,755	1,476,540
Pooled Cash and Investments - December 31	\$ 1,511,836	\$ -	\$ 2,971	\$ 1,514,807
Reconciliation of Operating Loss to Net Cash Provided by (Used in) Operating Activities				
Operating Loss	\$ (28,795)	\$ (387,296)	\$ (1,795)	\$ (417,886)
Adjustments to Reconcile Operating Loss to Net Cash Provided by (Used in) Operating Activities				
Depreciation Expense	229,120	206,717	29,022	464,859
Other Income	1,320	41,988	669	43,977
(Increase) Decrease in				
Accounts Receivable	143	97	(1,254)	(1,014)
Prepaid Items	-	9,275	-	9,275
Increase (Decrease) in				
Accounts Payable	2,288	3,423	449	6,160
Wages Payable	(126)	20	-	(106)
Compensated Absences Payable	(3,635)	98	-	(3,537)
Other Liabilities	-	-	401	401
Net Cash Provided by (Used in) Operating Activities	\$ 200,315	\$ (125,678)	\$ 27,492	\$ 102,129

Town of Erie, Colorado
Water Fund
Schedule of Revenues, Expenses, and Changes in Fund Net Assets
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2013

	Budgeted Amounts			Variance With Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Charges for Services	\$ 6,832,500	\$ 6,294,800	\$ 6,393,236	\$ 98,436
Capital Contributions and Fees	3,274,560	5,667,260	6,001,910	334,650
Intergovernmental	-	37,400	-	(37,400)
Investment Earnings	13,500	13,500	43,001	29,501
Miscellaneous	32,500	37,500	7,295	(30,205)
Total Revenues	10,153,060	12,050,460	12,445,442	394,982
EXPENDITURES				
Operating Expenditures				
Personnel Services	1,363,000	1,391,900	1,342,635	49,265
Operations and Maintenance	2,388,200	2,390,600	1,712,509	678,091
Capital Outlay ⁽¹⁾	5,527,900	9,190,600	5,256,213	3,934,387
Debt Related Expenses				
Principal Payments	2,077,200	2,077,200	2,077,000	200
Interest Expense	2,161,400	2,161,400	2,158,527	2,873
Total Expenditures	13,517,700	17,211,700	12,546,884	4,664,816
OTHER FINANCING SOURCES (USES)				
Litigation Proceeds	-	325,000	325,000	-
Total Other Financing/Sources (Uses)	-	325,000	325,000	-
Change in Net Position, Budget Basis	\$ (3,364,640)	\$ (4,836,240)	223,558	\$ 5,059,798
Reconciliation to GAAP Basis:				
Bond Principal Payments			2,077,000	
Capital Lease Principal Payments			(51,543)	
Change in Accrued Interest Payable			16,231	
Change in Compensated Absences Payable			(24,434)	
Capital Outlay ⁽¹⁾			5,153,391	
Depreciation and Amortization			(2,704,106)	
Loss on Disposition of Assets			(96,236)	
Change in Net Position, GAAP Basis			4,593,861	
Total Net Position - Beginning (As Adjusted)			101,659,706	
Total Net Position - Ending			\$ 106,253,567	

⁽¹⁾ Includes payments under capital leases.

Town of Erie, Colorado
Wastewater Fund
Schedule of Revenues, Expenses, and Changes in Fund Net Assets
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2013

	Budgeted Amounts			Variance With
	Original	Final		Final Budget
	Budget	Budget	Actual	Positive
				(Negative)
REVENUES				
Charges for Services	\$ 3,625,000	\$ 4,100,000	\$ 4,141,562	\$ 41,562
Capital Contributions and Fees	647,780	1,231,080	1,300,749	69,669
Investment Earnings	16,400	16,400	35,268	18,868
Total Revenues	4,289,180	5,347,480	5,477,579	130,099
EXPENDITURES				
Operating Expenditures				
Personnel Services	1,183,900	1,227,400	1,196,448	30,952
Operations and Maintenance	1,030,700	1,058,700	875,586	183,114
Capital Outlay	2,625,000	862,600	144,487	718,113
Debt Related Expenses				
Principal Payments	560,800	560,800	560,696	104
Interest Expense	969,300	969,300	969,237	63
Total Expenditures	6,369,700	4,678,800	3,746,454	932,346
Change in Net Position, Budget Basis	\$ (2,080,520)	\$ 668,680	1,731,125	\$ 1,062,445
Reconciliation to GAAP Basis:				
Principal Payments			560,696	
Change in Accrued Interest Payable			2,998	
Change in Compensated Absences Payable			(17,260)	
Capital Outlay			73,836	
Depreciation and Amortization			(1,550,656)	
Loss on Disposition of Assets			(97)	
Change in Net Position, GAAP Basis			800,642	
Total Net Position - Beginning (As Adjusted)			40,397,450	
Total Net Position - Ending			\$ 41,198,092	

Town of Erie, Colorado
Storm Drainage Operating Fund
Schedule of Revenues, Expenses, and Changes in Fund Net Assets
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2013

	Budgeted Amounts			Variance With
	Original	Final		Final Budget
	Budget	Budget	Actual	Positive
				(Negative)
REVENUES				
Charges for Services	\$ 396,000	\$ 410,000	\$ 411,862	\$ 1,862
Capital Contributions and Fees	-	-	10,007	10,007
Investment Earnings	4,200	4,200	4,636	436
Miscellaneous	-	-	1,320	1,320
Total Revenues	400,200	414,200	427,825	13,625
EXPENDITURES				
Operating Expenditures				
Personnel Services	121,700	121,100	109,240	11,860
Operations and Maintenance	144,400	145,600	102,712	42,888
Capital Outlay	550,000	776,700	101,060	675,640
Debt Related Expenses				
Principal Payments	11,600	11,600	11,557	43
Interest Expense	6,700	6,700	6,667	33
Total Expenditures	834,400	1,061,700	331,236	730,464
Change in Net Position, Budget Basis	\$ (434,200)	\$ (647,500)	96,589	\$ 744,089
Reconciliation to GAAP Basis:				
Principal Payments			11,557	
Change in Accrued Interest Payable			173	
Change in Compensated Absences Payable			3,636	
Capital Outlay			97,839	
Depreciation and Amortization			(229,120)	
Change in Net Position, GAAP Basis			(19,326)	
Total Net Position - Beginning			10,634,833	
Total Net Position - Ending			\$ 10,615,507	

Town of Erie, Colorado
Airport Fund
Schedule of Revenues, Expenses, and Changes in Fund Net Assets
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2013

	Budgeted Amounts			Variance With Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Charges for Services	\$ 5,400	\$ 8,200	\$ 7,530	\$ (670)
Capital Contributions and Fees	550,000	400,000	360,969	(39,031)
Intergovernmental	-	197,400	66,438	(130,962)
Investment Earnings	-	-	70	70
Miscellaneous	41,100	41,400	41,988	588
Total Revenues	596,500	647,000	476,995	(170,005)
EXPENDITURES				
Operating Expenditures				
Personnel Services	2,000	3,700	3,560	140
Operations and Maintenance	18,700	105,800	107,089	(1,289)
Capital Outlay	601,900	650,700	481,506	169,194
Total Expenditures	622,600	760,200	592,155	168,045
Change in Net Position, Budget Basis	\$ (26,100)	\$ (113,200)	(115,160)	\$ (1,960)
Reconciliation to GAAP Basis:				
Change in Compensated Absences Payable			(98)	
Capital Outlay			404,144	
Depreciation and Amortization			(206,717)	
Loss on Disposition of Assets			(50,822)	
Change in Net Position, GAAP Basis			31,347	
Total Net Position - Beginning			4,735,111	
Total Net Position - Ending			\$ 4,766,458	

Statistical Section

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This part of the Town of Erie’s comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government’s overall financial health.

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Town of Erie
Net Position by Component
Last Ten Years
(accrual basis of accounting)

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental Activities ⁽¹⁾										
Net Investment in Capital Assets	\$ 22,215,485	\$ 26,124,027	\$ 24,900,765	\$ 53,190,093	\$ 57,152,274	\$ 65,207,177	\$ 72,498,257	\$ 72,014,062	\$ 74,135,764	\$ 77,940,386
Restricted	9,472,616	17,668,735	22,213,890	21,364,804	22,628,014	17,065,975	21,282,036	16,385,652	19,194,615	19,769,068
Unrestricted	7,273,410	11,207,490	29,704,628	16,480,097	19,422,764	17,917,745	8,127,869	13,780,904	10,221,089	7,505,621
Total Governmental Activities Net Position	\$ 38,961,511	\$ 55,000,252	\$ 76,819,283	\$ 91,034,994	\$ 99,203,052	\$ 100,190,897	\$ 101,908,162	\$ 102,180,618	\$ 103,551,468	\$ 105,215,075
Business-Type Activities ⁽¹⁾										
Net Investment in Capital Assets	\$ 65,392,592	\$ 89,746,378	\$ 103,006,082	\$ 112,940,934	\$ 121,520,053	\$ 129,658,852	\$ 139,778,932	\$ 131,296,683	\$ 131,076,105	\$ 138,601,037
Restricted	13,699,842	4,718,710	4,583,110	14,328,718	15,722,590	5,939,968	7,790,656	7,125,596	7,195,376	1,699,317
Unrestricted	12,822,358	22,471,445	25,951,901	19,793,449	16,889,395	20,708,504	10,662,206	17,313,158	19,982,088	22,531,638
Total Business-Type Activities Net Position	\$ 91,914,792	\$ 116,936,533	\$ 133,541,093	\$ 147,063,101	\$ 154,132,038	\$ 156,307,324	\$ 158,231,794	\$ 155,735,437	\$ 158,253,569	\$ 162,831,992
Primary Government ⁽¹⁾										
Net Investment in Capital Assets	\$ 87,608,077	\$ 115,870,405	\$ 127,906,847	\$ 166,131,027	\$ 178,672,327	\$ 194,866,029	\$ 212,277,189	\$ 203,310,745	\$ 205,211,869	\$ 216,541,423
Restricted	23,172,458	22,387,445	26,797,000	35,693,522	38,350,604	23,005,943	29,072,692	23,511,248	26,389,991	21,468,385
Unrestricted	20,095,768	33,678,935	55,656,529	36,273,546	36,312,159	38,626,249	18,790,075	31,094,062	30,203,177	30,037,259
Total Primary Government Net Position	\$ 130,876,303	\$ 171,936,785	\$ 210,360,376	\$ 238,098,095	\$ 253,335,090	\$ 256,498,221	\$ 260,139,956	\$ 257,916,055	\$ 261,805,037	\$ 268,047,067

Source: Town of Erie Finance Department

⁽¹⁾ In 2013 the Town implemented GASB 65, which provides for the expensing of debt issuance costs. Prior year amounts were not restated.

Town of Erie
Changes in Net Position
Last Ten Years
(accrual basis of accounting)

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012 ⁽¹⁾	2013
Expenses										
Governmental Activities:										
General Government	\$ 2,936,254	\$ 2,516,273	\$ 2,279,543	\$ 2,852,921	\$ 2,542,611	\$ 2,191,872	\$ 2,025,071	\$ 2,215,449	\$ 2,315,020	\$ 3,424,886
Public Safety	1,382,872	1,719,409	1,864,065	1,934,542	2,070,326	2,106,365	2,337,449	2,361,217	2,392,865	2,562,909
Public Works	1,417,943	1,792,625	2,215,283	2,457,612	2,830,931	2,757,873	2,771,238	3,168,315	3,283,741	5,365,419
Parks & Recreation	910,232	1,103,296	1,453,447	1,833,112	4,178,321	4,700,478	5,209,771	6,038,210	6,214,564	4,528,156
Interest on Long-Term Debt	185,984	178,160	245,770	1,177,219	907,069	868,802	854,380	819,064	780,479	649,304
Total Governmental Activities Expenses	6,833,285	7,309,763	8,058,108	10,255,406	12,529,258	12,625,390	13,197,909	14,602,255	14,986,669	16,530,674
Business-Type Activities:										
Water	3,914,473	4,258,665	4,916,945	5,849,291	5,920,041	6,412,330	6,830,005	7,167,474	7,666,733	8,176,581
Wastewater	1,559,719	1,854,437	2,019,365	2,060,713	2,370,152	2,728,947	3,261,244	3,874,319	4,538,293	4,676,937
Storm Drainage	183,331	287,721	321,017	345,266	359,817	381,752	372,769	400,859	418,621	447,151
Airport	295,410	368,502	482,347	479,946	246,451	320,180	265,896	314,911	299,977	445,648
Housing Authority	111,662	107,904	106,572	107,822	118,011	109,513	114,313	117,270	107,136	111,463
Total Business-Type Activities Expenses	6,064,595	6,877,229	7,846,246	8,843,038	9,014,472	9,952,722	10,844,227	11,874,833	13,030,760	13,857,780
Total Primary Government Expenses	\$ 12,897,880	\$ 14,186,992	\$ 15,904,354	\$ 19,098,444	\$ 21,543,730	\$ 22,578,112	\$ 24,042,136	\$ 26,477,088	\$ 28,017,429	\$ 30,388,454
Program Revenues										
Governmental Activities:										
Charges for Services										
General Government	\$ 2,119,343	\$ 2,188,739	\$ 1,435,627	\$ 970,615	\$ 1,180,105	\$ 656,516	\$ 572,119	\$ 636,727	\$ 619,763	\$ 1,028,882
Public Safety	116,525	179,917	192,831	113,193	108,343	121,429	135,506	162,864	176,375	246,843
Public Works	204,563	240,794	403,518	634,361	1,208,708	953,418	1,796,856	1,512,843	1,259,149	1,808,015
Parks and Recreation	50,025	62,414	65,400	78,197	1,355,988	1,254,479	1,904,056	1,878,354	1,723,388	1,874,591
Operating Grants and Contributions	140,097	67,661	48,899	21,560	14,637	128,680	73,748	128,031	1,002,109	1,020,806
Capital Grants and Contributions	11,608,416	9,711,654	18,138,215	11,364,555	7,000,266	2,121,328	1,894,614	1,382,427	1,670,546	2,153,798
Total Governmental Activities Program Revenues	14,238,969	12,451,179	20,284,490	13,182,481	10,868,047	5,235,850	6,376,899	5,701,246	6,451,330	8,132,935
Business-Type Activities:										
Charges for Services										
Water	2,705,358	3,625,729	4,792,751	4,803,707	5,395,596	4,995,495	5,511,767	6,321,368	7,104,638	6,393,236
Wastewater	1,133,672	1,398,101	1,738,799	2,004,146	2,123,952	2,359,528	2,774,232	3,112,916	3,535,547	4,141,562
Other Activities	553,884	659,050	757,614	763,136	574,355	552,392	560,669	529,895	499,623	498,000
Operating Grants and Contributions	-	-	-	-	-	-	-	-	73,455	66,438
Capital Grants and Contributions	38,237,409	27,232,102	14,934,116	12,481,218	6,312,796	3,689,777	3,720,291	3,701,122	4,276,591	7,673,635
Total Business-Type Activities Program Revenues	42,630,323	32,914,982	22,223,280	20,052,207	14,406,699	11,597,192	12,566,959	13,665,301	15,489,854	18,772,871
Total Primary Government Program Revenues	\$ 56,869,292	\$ 45,366,161	\$ 42,507,770	\$ 33,234,688	\$ 25,274,746	\$ 16,833,042	\$ 18,943,858	\$ 19,366,547	\$ 21,941,184	\$ 26,905,806
Net (Expense) Revenue										
Governmental Activities	\$ 7,405,684	\$ 5,141,416	\$ 12,226,382	\$ 2,927,075	\$ (1,661,211)	\$ (7,389,540)	\$ (6,821,010)	\$ (8,901,009)	\$ (8,535,339)	\$ (8,397,739)
Business-Type Activities	36,565,728	26,037,753	14,377,034	11,209,169	5,392,227	1,644,470	1,722,732	1,790,468	2,459,094	4,915,091
Total Primary Government Net (Expense) Revenue	\$ 43,971,412	\$ 31,179,169	\$ 26,603,416	\$ 14,136,244	\$ 3,731,016	\$ (5,745,070)	\$ (5,098,278)	\$ (7,110,541)	\$ (6,076,245)	\$ (3,482,648)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes										
Property Taxes	\$ 788,955	\$ 1,297,382	\$ 1,628,286	\$ 3,078,525	\$ 3,556,517	\$ 3,720,316	\$ 3,947,570	\$ 3,880,843	\$ 3,962,431	\$ 3,977,786
Sales & Use Taxes	5,521,258	5,698,013	4,619,335	3,922,663	3,559,908	3,126,330	3,420,184	3,692,180	4,096,437	4,914,157
Franchise Taxes	282,980	389,787	456,110	507,525	589,062	571,130	684,352	561,740	638,792	685,918
Specific Ownership Taxes	72,923	116,034	139,605	255,553	284,928	253,376	221,453	234,005	258,258	239,435
Intergovernmental - Unrestricted	-	-	-	-	-	-	-	-	107,617	103,540
Investment Earnings	184,664	786,400	2,193,728	2,734,514	1,633,905	621,372	262,564	250,191	182,476	102,215
Other Miscellaneous	514,218	456,322	455,373	789,859	204,950	84,860	207,953	556,947	423,901	212,691
Transfers In/Out	-	-	-	-	-	-	(19,813)	(21,547)	(20,087)	(18,137)
Total Governmental Activities	7,364,998	8,743,938	9,492,437	11,288,639	9,829,270	8,377,384	8,724,263	9,154,359	9,649,825	10,217,605
Business-Type Activities:										
Investment Earnings	361,030	954,971	1,583,138	2,063,478	1,405,388	438,286	155,037	113,452	122,303	82,977
Other Miscellaneous	102,527	182,403	664,385	249,360	271,320	92,529	99,970	101,533	49,538	376,272
Transfers In/Out	-	-	-	-	-	-	19,813	21,547	20,087	18,137
Total Business-Type Activities	463,557	1,137,374	2,247,523	2,312,838	1,676,708	530,815	274,820	236,532	191,928	477,386
Total Primary Government General Revenue and Other Changes in Net Position	\$ 7,828,555	\$ 9,881,312	\$ 11,739,960	\$ 13,601,477	\$ 11,505,978	\$ 8,908,199	\$ 8,999,083	\$ 9,390,891	\$ 9,841,753	\$ 10,694,991
Changes in Net Position										
Governmental Activities	\$ 14,770,682	\$ 13,885,354	\$ 21,718,819	\$ 14,215,714	\$ 8,168,059	\$ 987,844	\$ 1,903,253	\$ 253,350	\$ 1,114,486	\$ 1,819,866
Business-Type Activities	37,029,285	27,175,127	16,624,557	13,522,007	7,068,935	2,175,285	1,997,552	2,027,000	2,651,022	5,392,477
Total Primary Government Changes in Net Position	\$ 51,799,967	\$ 41,060,481	\$ 38,343,376	\$ 27,737,721	\$ 15,236,994	\$ 3,163,129	\$ 3,900,805	\$ 2,280,350	\$ 3,765,508	\$ 7,212,343

Source: Town of Erie Finance Department

⁽¹⁾ In 2013 the Town implemented GASB 65, which provides for the expensing of debt issuance costs. Prior year amounts were not restated.

Town of Erie
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Fund ⁽¹⁾										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 128,000	\$ 1,477,677	\$ 4,030,672
Restricted/Reserved	362,116	229,174	15,307,980	2,884,711	3,664,997	1,253,409	8,025,287	2,163,588	5,009,870	2,286,494
Assigned	-	-	-	-	-	-	-	1,026,106	1,462,004	1,118,949
Unassigned/Unreserved	7,351,717	11,504,917	15,081,463	15,404,897	16,509,423	17,358,472	8,245,195	12,755,793	8,619,655	6,784,338
Total General Fund	\$ 7,713,833	\$ 11,734,091	\$ 30,389,443	\$ 18,289,608	\$ 20,174,420	\$ 18,611,881	\$ 16,270,482	\$ 16,073,487	\$ 16,569,206	\$ 14,220,453
All Other Governmental Funds ⁽¹⁾										
Restricted/Reserved	\$ 9,291,114	\$ 17,455,004	\$ 21,816,406	\$ 20,820,428	\$ 22,065,773	\$ 16,639,587	\$ 13,328,502	\$ 14,222,064	\$ 14,184,745	\$ 17,482,574
Committed	-	-	-	-	-	-	-	137,963	143,579	17,987
Unassigned/Unreserved	-	-	151,887	179,743	144,587	133,606	-	(55,925)	(1,255,208)	(4,065,293)
Total of All Other Governmental Funds	\$ 9,291,114	\$ 17,455,004	\$ 21,968,293	\$ 21,000,171	\$ 22,210,360	\$ 16,773,193	\$ 13,328,502	\$ 14,304,102	\$ 13,073,116	\$ 13,435,268

Source: Town of Erie Finance Department

⁽¹⁾In 2011 the Town implemented GASB 54 to reflect the new classifications of fund balance. Prior year amounts were not restated.

Town of Erie
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Revenues ⁽¹⁾										
Taxes	\$ 6,666,116	\$ 7,501,216	\$ 6,843,336	\$ 7,764,266	\$ 7,990,415	\$ 7,671,152	\$ 8,273,559	\$ 8,368,768	\$ 8,955,918	\$ 9,817,296
Intergovernmental	549,150	563,479	699,263	703,632	745,587	919,987	918,999	1,037,646	1,109,725	1,124,346
Licenses and Permits	2,325,491	2,560,069	1,566,609	1,064,310	892,946	501,629	536,684	603,482	723,393	1,308,271
Charges for Services	258,165	308,065	476,211	723,226	2,560,440	2,213,269	2,504,617	2,581,391	2,878,907	3,403,217
Fines and Forfeitures	116,525	179,917	192,831	113,193	108,343	121,429	135,506	162,864	176,375	246,843
Capital Contributions and Fees	6,083,028	5,844,044	4,490,352	3,729,007	4,332,553	1,301,715	2,107,334	1,349,989	1,670,547	2,153,798
Investment Earnings	184,664	786,400	2,193,724	2,734,513	1,633,905	621,373	262,564	250,191	182,476	102,215
Miscellaneous	395,350	290,009	1,329,674	589,062	532,881	262,669	304,083	387,386	374,370	232,919
Total Revenues	16,578,489	17,833,199	17,792,000	17,421,209	18,797,070	13,613,223	15,043,346	14,741,717	16,071,711	18,388,905
Expenditures										
General Government	2,775,019	2,403,844	2,185,379	2,392,489	2,212,896	2,000,168	1,986,858	2,200,613	2,145,500	2,782,286
Public Safety	1,306,503	1,601,394	1,411,911	1,835,547	1,977,901	1,513,338	2,240,394	2,275,395	2,323,677	2,440,001
Public Works	1,008,671	1,237,714	1,267,684	1,525,403	1,694,973	2,035,519	1,582,570	1,719,095	1,833,074	3,790,678
Parks & Recreation	764,938	1,026,281	1,766,445	1,546,258	3,821,824	4,272,109	4,468,041	4,690,752	4,928,772	3,028,137
Capital Outlay	1,316,354	1,134,252	4,672,496	21,775,141	4,271,841	9,057,064	8,606,166	1,863,774	4,813,537	6,319,547
Debt Service										
Principal	239,600	220,110	205,000	340,000	800,000	845,000	880,000	915,000	950,000	1,800,062
Interest	186,633	178,843	133,055	1,230,056	922,632	889,731	857,444	820,681	782,756	673,681
Bond Issuance Costs	-	-	297,249	-	-	-	-	-	-	123,357
Total Expenditures	7,597,718	7,802,438	11,939,219	30,644,894	15,702,067	20,612,929	20,621,473	14,485,310	17,777,316	20,957,749
Excess (Deficiency) of Revenues Over (Under) Expenditures	8,980,771	10,030,761	5,852,781	(13,223,685)	3,095,003	(6,999,706)	(5,578,127)	256,407	(1,705,605)	(2,568,844)
Other Financing Sources (Uses)										
Operating Transfers In	-	135,000	85,000	698,300	104,939	98,200	109,400	131,200	457,800	4,965,891
Operating Transfers Out	-	(135,000)	(85,000)	(698,300)	(104,939)	(98,200)	(129,213)	(152,747)	(477,887)	(4,984,028)
Debt Proceeds	-	-	20,206,989	-	-	-	-	-	695,000	9,985,460
Payment for Refunded Bonds	-	-	(2,991,338)	-	-	-	-	-	-	(9,571,113)
Proceeds from Sale of Capital Assets	-	-	-	155,730	-	-	19,085	113,351	3,085	14,523
Insurance Recoveries & Related	-	-	-	-	-	-	41,331	22,084	46,446	171,510
Total Other Financing Sources (Uses)	-	-	17,215,651	155,730	-	-	40,603	113,888	724,444	582,243
Net Changes in Fund Balance	\$ 8,980,771	\$ 10,030,761	\$ 23,068,432	\$ (13,067,955)	\$ 3,095,003	\$ (6,999,706)	\$ (5,537,524)	\$ 370,295	\$ (981,161)	\$ (1,986,601)
Debt Service as a Percentage of Noncapital Expenditures	6.79%	5.98%	8.74%	17.70%	15.07%	15.01%	14.46%	13.57%	13.16%	16.97%

Source: Town of Erie Finance Department
⁽¹⁾ Prior years reflect reclassifications of certain revenues for consistency with current year reporting.

Town of Erie
General Governmental Tax Revenues By Source
Last Ten Fiscal Years

Year	Property Tax	Sales Tax	Use Tax	Franchise Tax	Specific Ownership Tax	Total
2004	\$ 788,955	\$ 2,130,344	\$ 3,390,914	\$ 282,980	\$ 72,923	\$ 6,666,116
2005 ⁽¹⁾	1,297,382	2,381,629	3,316,384	389,787	116,034	7,501,216
2006	1,628,286	2,466,173	2,153,162	456,110	139,605	6,843,336
2007 ⁽²⁾	3,078,525	2,790,694	1,131,969	507,525	255,553	7,764,266
2008	3,556,517	2,624,783	935,125	589,062	284,928	7,990,415
2009	3,720,316	2,572,740	553,590	571,130	253,376	7,671,152
2010	3,947,570	2,842,974	577,210	684,352	221,453	8,273,559
2011	3,880,843	3,095,659	596,521	561,740	234,005	8,368,768
2012	3,962,431	3,318,242	778,195	638,792	258,258	8,955,918
2013	3,977,786	3,616,019	1,298,138	685,918	239,435	9,817,296

Source: Town of Erie Finance Department

⁽¹⁾ In November 2004, voters approved a mill levy increase for trails and natural areas. It went into effect in 2005. In 2005 this change added 3.677 mills to the Town's levy. For collection years after 2005 the levy increase was 4.000 mills.

⁽²⁾ In November 2005, voters approved a mill levy increase to construct the Erie Community Center. This change, which went into effect in 2007, added 7.320 mills to the Town's levy. For 2013 the levy was 5.807 mills.

Town of Erie
Assessed and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Boulder County							
Year ⁽¹⁾	Residential	Commercial	Vacant	Less:		Total Taxable	Total Taxable
	Property	Property	Land	Other	Tax Exempt Real Property	Assessed Value	Actual Value
2004	\$ 58,441,760	\$ 5,665,970	\$ 5,873,440	\$ 3,329,435	\$ 2,555,300	\$ 70,755,305	\$ 776,224,545
2005	60,062,310	5,611,070	5,451,010	3,611,585	2,732,240	72,003,735	794,911,190
2006	62,791,610	6,643,210	5,907,990	5,204,830	4,299,810	76,247,830	834,158,329
2007	66,653,030	6,259,170	7,285,150	5,583,390	4,391,300	81,389,440	886,434,700
2008	72,775,610	7,017,800	7,679,860	5,379,335	3,938,640	88,913,965	968,230,200
2009	74,938,760	7,064,260	6,745,400	5,105,190	3,929,800	89,923,810	991,915,800
2010	74,095,210	7,658,420	6,248,880	12,085,460	4,334,730	95,753,240	994,842,810
2011	74,805,120	7,568,860	5,440,850	12,778,926	4,847,360	95,746,396	1,001,879,430
2012	73,860,728	7,251,830	4,783,897	18,565,810	4,999,658	99,462,607	993,982,165
2013	75,143,537	7,367,407	3,721,512	15,228,537	5,170,320	96,290,673	1,003,587,145

Weld County							
Year ⁽¹⁾	Residential	Commercial	Vacant	Less:		Total Taxable	Total Taxable
	Property	Property	Land	Other	Tax Exempt Real Property	Assessed Value	Actual Value
2004	\$ 18,349,390	\$ 5,642,800	\$ 11,586,950	\$ 5,285,636	\$ 2,361,000	\$ 38,503,776	\$ 297,631,423
2005	25,402,000	7,853,590	9,620,900	6,762,300	2,541,870	47,096,920	388,568,459
2006	44,068,480	7,576,960	11,197,350	9,540,820	4,275,890	68,107,720	629,661,578
2007	63,060,810	7,447,830	6,873,180	11,529,760	4,941,450	83,970,130	854,945,317
2008	79,408,720	8,715,140	10,394,750	14,279,150	6,767,920	106,029,840	1,079,491,472
2009	86,117,660	11,917,150	8,805,060	22,293,620	9,331,410	119,802,080	1,179,147,606
2010	83,802,080	15,705,830	8,242,820	38,309,470	10,838,480	135,221,720	1,175,517,277
2011	85,974,780	16,846,260	6,993,710	26,916,450	8,507,750	128,223,450	1,191,937,810
2012	85,755,600	17,973,430	3,804,960	33,924,800	8,585,400	132,873,390	1,190,322,109
2013	87,078,530	17,404,680	3,815,130	48,243,410	18,250,220	138,291,530	1,213,972,885

Boulder County and Weld County				
Year ⁽¹⁾	Grand Total Assessed	Grand Total Actual	Assessed Value as a Percentage of Actual Value	Total Direct Tax Rate
	Taxable Value	Taxable Value		
2004	\$ 109,259,081	\$ 1,073,855,968	10.17%	7.288
2005	119,100,655	1,183,479,649	10.06%	10.965
2006	144,355,550	1,463,819,907	9.86%	11.288
2007	165,359,570	1,741,380,017	9.50%	18.608
2008	194,943,805	2,047,721,672	9.52%	18.282
2009	209,725,890	2,171,063,406	9.66%	17.775
2010	230,974,960	2,170,360,087	10.64%	17.198
2011	223,969,846	2,193,817,240	10.21%	17.376
2012	232,335,997	2,184,304,274	10.64%	17.146
2013	234,582,203	2,217,560,030	10.58%	17.146

Sources: Boulder County Assessor's Office
Weld County Assessor's Office

⁽¹⁾Taxes for the year assessed are collected in the following year. For example: 2013 taxes assessed will be collected in the 2014 calendar year.

**Town of Erie
Principal Taxpayers
December 31**

Taxpayer	Boulder County					
	2013			2004		
	Assessed Value	Rank	% of Total Assessed Value	Assessed Value	Rank	% of Total Assessed Value
Principal Taxpayers						
Encana Oil & Gas (USA), Inc	3,194,817	1	3.32 %	\$ -	-	%
Arapahoe Ridge Retail Center LLC	2,400,214	2	2.49	-	-	-
Noble Energy Production, Inc	1,512,944	3	1.57	-	-	-
Meritage Homes of Colorado, Inc	1,370,598	4	1.42	-	-	-
JMJC Eleven LLC	1,356,228	5	1.41	-	-	-
Bayou Development Corp	1,085,383	6	1.13	-	-	-
TOUSA Recovery Acquisition LLC	870,898	7	0.90	-	-	-
Westpac Realty Fund II LLC	869,043	8	0.90	-	-	-
Richard E. & Deborah L. Oliver	502,991	9	0.52	-	-	-
Alande Company	482,096	10	0.50	-	-	-
Becky Family Investment Co LLLP	-	-	-	1,955,070	1	2.75
Creekside SF LLC	-	-	-	588,900	2	0.83
Alande Company	-	-	-	411,280	3	0.58
Westpac Realty Fund II LLC	-	-	-	386,420	4	0.54
Westpac Realty Fund II LLC	-	-	-	359,220	5	0.51
Safeway Inc.	-	-	-	355,600	6	0.50
Richard E. & Deborah L. Oliver	-	-	-	317,270	7	0.45
Hudson Construction	-	-	-	304,500	8	0.43
77 Erie Village Square LLP	-	-	-	260,160	9	0.37
US Bank National Association	-	-	-	240,900	10	0.34
	<u>\$ 13,645,212</u>		<u>14.17 %</u>	<u>\$ 5,179,320</u>		<u>7.30 %</u>
Taxpayer	Weld County					
	2013			2004		
	Assessed Value	Rank	% of Total Assessed Value	Assessed Value	Rank	% of Total Assessed Value
Principal Taxpayers						
Encana Oil & Gas (USA) Inc.	\$ 12,989,152	1	9.39 %	\$ -	-	%
Kerr-McGee Oil & Gas Onshore LP	6,767,221	2	4.89	-	-	-
Synergy Resources Corporation	3,636,638	3	2.63	-	-	-
Noble Energy Inc.	1,799,522	4	1.30	-	-	-
Public Service CO of Colorado (Xcel)	1,264,650	5	0.91	-	-	-
Magpul Industries Corp	1,130,960	6	0.82	-	-	-
Colorado National Golf Club LLC	1,079,010	7	0.78	-	-	-
Erie Commons Commercial Partners, LLC	1,055,870	8	0.76	-	-	-
Waste Connections Inc.	941,190	9	0.68	-	-	-
Kerr-McGee Gathering LLC	670,520	10	0.48	-	-	-
Comcast of Colorado LLC	-	-	-	760,530	1	1.98
Bolder Enterprises LTD	-	-	-	499,430	2	1.30
Key Corporate Capital Inc.	-	-	-	345,360	3	0.90
William H. Joyce (Trustee)	-	-	-	329,660	4	0.86
Daniel R. Joyce (Trustee)	-	-	-	329,660	5	0.86
Randall E. Davis (Trustee)	-	-	-	329,660	6	0.86
William H. Joyce Trust	-	-	-	329,660	7	0.86
Sheridan Schofield	-	-	-	304,500	8	0.79
Peggy J. Schofield	-	-	-	304,500	9	0.79
Dill Homes Inc.	-	-	-	246,490	10	0.64
	<u>\$ 31,334,733</u>		<u>22.66 %</u>	<u>\$ 3,779,450</u>		<u>9.82 %</u>

Sources: Boulder County Assessor's Office
Weld County Assessor's Office

Town of Erie
Property Tax Levy from Direct and Overlapping Governments
Last Ten Years

Boulder County									
Town of Erie									
Community Center Trails &									
General	Construction	Natural	Total		Boulder	St Vrain	Boulder	Mountain	Northern
Operating	Bond	Areas	Direct		County	Valley School	Valley School	View	Colorado
Year						District	District	District	Water
Rates (In mills) ⁽¹⁾									
2004	7.288	-	-	7.288	20.088	40.374	38.255	8.117	1.000
2005	7.288	-	3.677	10.965	21.267	40.089	37.423	8.037	1.000
2006	7.288	-	4.000	11.288	21.867	39.982	37.685	8.037	1.000
2007	7.288	7.320	4.000	18.608	22.467	38.035	39.564	8.137	1.000
2008	7.288	6.994	4.000	18.282	22.467	37.798	37.865	7.937	1.000
2009	7.288	6.487	4.000	17.775	23.067	46.285	39.113	11.747	1.000
2010	7.288	5.910	4.000	17.198	23.667	46.268	39.999	11.747	1.000
2011	7.288	6.088	4.000	17.376	24.645	46.837	43.838	11.747	1.000
2012	7.288	5.858	4.000	17.146	24.645	47.614	44.843	11.747	1.000
2013	7.288	5.807	4.000	17.095	24.645	53.500	45.547	11.747	1.000

Weld County									
Town of Erie									
Community Center Trails &									
General	Construction	Natural	Total		Weld	St. Vrain	Mountain	Frederick	Northern
Operating	Bond	Areas	Direct		County	Valley School	View	Firestone	Colorado
Year						District	District	District	Water
Rates (In mills) ⁽¹⁾									
2004	7.288	-	-	7.288	21.474	40.374	8.117	9.560	1.000
2005	7.288	-	3.677	10.965	19.957	40.089	8.037	9.560	1.000
2006	7.288	-	4.000	11.288	17.900	39.982	8.037	9.560	1.000
2007	7.288	7.320	4.000	18.608	16.804	38.035	8.137	13.360	1.000
2008	7.288	6.994	4.000	18.282	16.804	37.798	7.937	12.770	1.000
2009	7.288	6.487	4.000	17.775	16.804	46.285	11.747	12.526	1.000
2010	7.288	5.910	4.000	17.198	16.804	46.268	11.747	12.401	1.000
2011	7.288	6.088	4.000	17.376	16.804	46.837	11.747	12.441	1.000
2012	7.288	5.858	4.000	17.146	16.804	47.614	11.747	12.264	1.000
2013	7.288	5.807	4.000	17.095	16.804	53.500	11.747	12.197	1.000

Source: Boulder County Assessor's Office
Weld County Assessor's Office

⁽¹⁾ One mill generates \$1 of property tax revenue per \$1,000 of assessed valuation. Taxes for the year assessed are collected in the following year. For example: 2013 taxes assessed will be collected in the 2014 calendar year.

⁽²⁾ In November 2005, Boulder County residents voted to be included in the High Plains Library District.

⁽⁵⁾ Includes the following metro districts: Flatiron Meadows and Rex Ranch.

⁽⁴⁾ In 2007, Tri-Area Ambulance Special District was dissolved.

⁽⁵⁾ Includes the following metro districts: Bridgewater #'s 1-3; Erie Commons #2; Erie Corporate Center #2; Morgan Hill #'s 1-3; Sunset Parks; and Vista Ridge.

Urban Drainage & Flood District	Lafayette Rural Fire District	High Plains Library ⁽²⁾	Metro Districts ⁽³⁾	(Range) Total
0.533	2.500	-	-	66.164 - 77.400
0.538	2.500	-	-	70.193 - 81.896
0.532	2.500	-	-	71.372 - 82.706
0.542	2.500	3.261	-	84.442 - 93.579
0.507	2.500	3.253	-	82.374 - 91.311
0.528	2.500	3.260	-	83.743 - 103.662
0.508	2.500	3.255	-	84.627 - 103.643
0.523	2.500	3.281	-	89.663 - 105.409
0.566	2.500	3.271	50.000	90.471 - 153.218
0.599	2.500	3.261	45.000 - 50.000	90.471 - 153.218

Tri-Area Ambulance Special District ⁽⁴⁾	High Plains Library	St. Vrain Sanitation District	Metro Districts ⁽⁵⁾	(Range) Total
4.543	3.249	-	52.827	80.502 - 134.329
6.543	3.249	-	11.000 - 52.989	82.297 - 136.286
3.250	3.281	3.918	11.000 - 54.332	80.488 - 135.820
-	3.261	3.321	11.000 - 59.246	84.685 - 144.931
-	3.253	2.686	14.000 - 57.827	84.014 - 142.841
-	3.260	0.806	17.140 - 57.827	95.871 - 154.698
-	3.255	0.737	18.000 - 57.827	95.272 - 154.099
-	3.281	0.745	18.000 - 57.827	96.045 - 154.872
-	3.271	0.720	20.000 - 57.827	96.582 - 155.409
-	3.261	0.682	20.000 - 57.827	102.407 - 161.234

Town of Erie
Property Tax Levies and Collections
Last Ten Years

Collection Year	Total Tax Levy ⁽¹⁾	Total Tax Collections	Collections As a Percent of Tax Levy
2004	\$ 797,800	\$ 788,955	98.89
2005 ⁽²⁾	1,305,939	1,297,459	99.35
2006	1,629,486	1,628,166	99.92
2007 ⁽³⁾	3,077,011	3,076,645	99.99
2008	3,563,963	3,556,517	99.79
2009	3,727,878	3,720,316	99.80
2010	3,972,307	3,945,965	99.34
2011	3,891,700	3,880,843	99.72
2012	3,983,633	3,962,431	99.47
2013	4,010,183	3,977,786	99.19

Sources: Boulder County Assessor's Office
Weld County Assessor's Office

⁽¹⁾ Taxes for the year assessed are collected in the following year.

For example: 2013 taxes assessed will be collected in the 2014 calendar year.

⁽²⁾ In November 2004, voters approved a mill levy increase for trails and natural areas.

It went into effect in 2005 and added 3.677 mills to the Town's levy. In subsequent the levy increase is 4.000 mills. In 2012, voters approved extending this mill levy for ten years beyond its original expiration date in 2014.

⁽³⁾ In November 2005, voters approved a mill levy increase to construct the Erie Community Center. It went into effect in 2007, when the levy was 7.320 mills. In 2013 the levy was 5.807 mills.

Town of Erie
Sales and Use Tax Revenue by Type
Last Ten Years

Year	Automotive	General	Use Tax ⁽¹⁾	Total Sales and Use Tax	Total Direct Tax Rate	
2004	\$ 819,053	\$ 1,311,291	\$ 3,390,914	\$ 5,521,258	3.50	%
2005	972,415	1,409,214	3,316,384	5,698,013	3.50	
2006	1,116,128	1,350,045	2,153,162	4,619,335	3.50	
2007	1,193,071	1,597,623	1,131,969	3,922,663	3.50	
2008	1,079,982	1,544,801	935,125	3,559,908	3.50	
2009	845,641	1,727,099	553,590	3,126,330	3.50	
2010	1,105,114	1,737,860	577,210	3,420,184	3.50	
2011	1,232,012	1,863,647	596,521	3,692,180	3.50	
2012	1,350,525	1,967,717	778,195	4,096,437	3.50	
2013	1,545,392	2,070,627	1,298,138	4,914,157	3.50	

Sources: Boulder County Treasurer's Office
Weld County Treasurer's Office
Colorado Department of Revenue
Town of Erie Finance Department

⁽¹⁾ Primarily represents taxes assessed on building materials associated with construction activity.

Town of Erie
Sales Tax Rates from Direct and Overlapping Governments
Last Ten Years

Boulder County									
Year	Town of Erie		State of Colorado		Regional Transportation Authority		Metropolitan Sports Stadium District		Scientific and Cultural Facilities District
		%		%		%		%	Boulder County
									Total
2004	3.50	%	2.90	%	0.60	%	0.10	%	0.55
2005	3.50		2.90		1.00		0.10		0.65
2006	3.50		2.90		1.00		0.10		0.65
2007	3.50		2.90		1.00		0.10		0.65
2008	3.50		2.90		1.00		0.10		0.65
2009	3.50		2.90		1.00		0.10		0.65
2010	3.50		2.90		1.00		0.10		0.65
2011	3.50		2.90		1.00		0.10		0.80
2012	3.50		2.90		1.00		-	(1)	0.80
2013	3.50		2.90		1.00		-		0.80

Weld County									
Year	Town of Erie		State of Colorado		Regional Transportation Authority		Metropolitan Sports Stadium District		Total
		%		%		%		%	
2004	3.50	%	2.90	%	0.60	%	0.10	%	7.10
2005	3.50		2.90		1.00		0.10		7.50
2006	3.50		2.90		1.00		0.10		7.50
2007	3.50		2.90		1.00		0.10		7.50
2008	3.50		2.90		1.00		0.10		7.50
2009	3.50		2.90		1.00		0.10		7.50
2010	3.50		2.90		1.00		0.10		7.50
2011	3.50		2.90		1.00		0.10		7.50
2012	3.50		2.90		1.00		-	(1)	7.40
2013	3.50		2.90		1.00		-		7.40

Source: Town of Erie Finance Office
Colorado Department of Revenue

(1) The Metropolitan Sports Stadium District tax expired as of December 31, 2011.

**Town of Erie
Principal Sales Taxpayers
Last Ten Years**

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Aggregate top ten filers ⁽¹⁾	\$ 762,952	\$ 837,475	\$ 820,681	\$ 731,869	\$ 876,757	\$ 857,218	\$ 1,009,572	\$ 942,292	\$ 994,891	\$ 1,096,938
Aggregate all other filers	1,367,392	1,544,154	1,645,492	2,058,825	1,748,026	1,715,522	1,833,402	2,153,367	2,323,351	2,519,081
Total sales tax	\$ 2,130,344	\$ 2,381,629	\$ 2,466,173	\$ 2,790,694	\$ 2,624,783	\$ 2,572,740	\$ 2,842,974	\$ 3,095,659	\$ 3,318,242	\$ 3,616,019
Top ten filers as a percentage of total tax	35.8%	35.2%	33.3%	26.2%	33.4%	33.3%	35.5%	30.4%	30.0%	30.3%

Source: Colorado Department of Revenue

⁽¹⁾ Colorado State Statutes prohibit disclosure of individual sales and use tax returns, therefore the current year top ten filers in alphabetical order are as follows:

7-Eleven 34168A, County Line Wine & Spirits, Lazy Dog Erie, LLC, New Circular Wireless, Public Service Co. of Colorado, Ridge Liquor/ Erie Liquors, Safeway, Starbucks Coffee #13426, Verizon Wireless LLC, and Walgreens #12864.

Town of Erie
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities				Business-Type Activities				Total Primary Government	Percentage of Personal Income	Per Capita	
	General		Capital Leases	Open Space	Revenue Bonds/Loans ⁽¹⁾	Certificates of Participation		Capital Leases ⁽²⁾				Housing Authority ⁽³⁾
	Obligation Bonds											
2004	\$ 3,745,000	\$ -	\$ -	\$ 25,110	\$ 31,963,539	\$ -	\$ -	\$ 900,770	\$ 36,634,419	8.75%	\$ 2,950	
2005	3,550,000	-	-	-	30,783,428	32,030,000	-	883,746	67,247,174	13.38%	4,623	
2006	20,211,095	-	-	-	29,555,772	31,550,000	-	888,368	82,205,235	14.32%	5,067	
2007	19,871,095	-	-	-	42,586,922	31,045,000	2,782,988	868,703	97,154,708	15.02%	5,446	
2008	19,071,095	-	-	-	50,086,305	30,515,000	2,712,249	856,327	103,240,976	15.00%	5,572	
2009	18,235,000	-	-	-	61,988,088	29,955,000	2,648,691	838,939	113,665,718	15.89%	6,046	
2010	17,623,254	-	-	-	60,542,625	29,522,550	2,582,378	819,154	111,089,961	14.83%	5,777	
2011	16,692,986	-	-	-	58,734,280	29,026,374	2,513,192	803,667	107,770,499	13.49%	5,498	
2012	15,727,719	-	-	-	56,086,691	28,465,197	2,441,007	781,683	103,502,297	12.39%	5,175	
2013	15,923,684	250,790	-	-	54,983,075	28,295,000	-	758,942	100,211,491	10.81%	4,661	

Sources: Bureau of Economic Analysis

U.S. Census Bureau

Town of Erie Finance Department

Town of Erie Community Development Department

⁽¹⁾ Includes revenue bonds and loans from the Colorado Water Resources and Power Development Authority.

⁽²⁾ In 2011 and 2012, prior period adjustments were recorded to reflect capital leases arising in 2007.

⁽³⁾ In 2006, a prior period adjustment to reflect a forgivable loan of \$60,000 was recorded.

Town of Erie
Ratio of General Bonded Debt Outstanding
Last Ten Years

Year	Population	Estimated Actual Taxable Value	General Bonded Debt ⁽¹⁾	General Bonded Debt to Actual Taxable Valuation	General Bonded Debt Per Capita
2004	12,420	\$ 1,073,855,968	\$ 3,745,000	0.35	\$ 302
2005	14,545	1,183,479,649	3,550,000	0.30	244
2006	16,225	1,463,819,907	20,211,095	1.38	1,246
2007	17,840	1,741,380,017	19,871,095	1.14	1,114
2008	18,530	2,047,721,672	19,071,095	0.93	1,029
2009	18,800	2,171,063,406	18,235,000	0.84	970
2010	19,230	2,170,360,087	17,623,254	0.81	916
2011	19,600	2,193,817,240	16,692,986	0.76	852
2012	20,000	2,184,304,274	15,727,719	0.72	786
2013	21,500	2,217,560,030	15,923,684	0.72	741

Sources: U.S. Census Bureau
Town of Erie Community Development Department
Boulder County Assessor's Office
Weld County Assessor's Office

⁽¹⁾General obligation bond debt equal to gross general obligation bond debt less obligations associated with proprietary funds. In this table the gross general obligation debt is equal to net general obligation bond debt.

Town of Erie
Direct and Overlapping General Bonded Debt
As of December 31, 2013

	Outstanding General Bonded Debt	Percentage Applicable to the Town⁽²⁾	Share of Debt Applicable to the Town
Direct Debt			
Town of Erie	<u>\$ 14,625,000</u>	100 %	<u>\$ 14,625,000</u>
Overlapping Debt ⁽¹⁾			
Boulder Valley School District	337,495,000	1	3,374,950
Bridgewater Metro #1	607,642	100	607,642
Erie Commons Metro #1	7,960,000	100	7,960,000
Frederick-Firestone Fire Protection District	2,475,000	1	24,750
Northern Colorado Water Conservation District	4,582,178	2	91,644
St. Vrain Valley School District	411,565,000	5	20,578,250
Vista Ridge Metropolitan District	<u>38,205,000</u>	100	<u>38,205,000</u>
Total Overlapping Debt	<u>802,889,820</u>		<u>70,842,236</u>
Total Direct and Overlapping General Bonded Debt	<u><u>\$ 817,514,820</u></u>		<u><u>\$ 85,467,236</u></u>

Source: Provided by each government entity

⁽¹⁾The following governments had no outstanding general bonded debt as of December 31, 2013:

Boulder County, Weld County, Left Hand Water District, Boulder Valley Conservation Soil District, Tri-Area Ambulance Special District, High Plains Library District, Urban Drainage & Flood District, Lafayette Rural Fire District, Erie Commons Metro District #2, Erie Corporate Center Metro District #2, Erie Corporate Center Metro District #3, Mountain View Fire Protection District, Bridgewater Metro #2, Bridgewater Metro #3, St Vrain Sanitation District, Sunset Parks Metro District, Regional Transportation District, Longmont Conservation, Morgan Hill Metro District #1, Morgan Hill Metro District #2, Morgan Hill Metro District #3, Brownsville Water & Sanitation District, Erie Farm Metro District, Flatirons Meadows Metro District and Ridge Lands Metro District

⁽²⁾Town assessed valuation as a percentage of the total assessed valuation of the overlapping government.

**Town of Erie
Legal Debt Margin Information
Last Ten Years**

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Debt Limit	\$ 32,732,969	\$ 36,049,926	\$ 44,801,720	\$ 53,206,834	\$ 61,243,273	\$ 64,712,508	\$ 66,674,109	\$ 67,199,962	\$ 66,938,782	\$ 66,938,782
Total Net Debt Applicable to Limit	3,745,000	3,550,000	20,211,095	19,871,095	19,071,095	18,235,000	17,355,000	16,440,000	15,490,000	14,625,000
Legal Debt Margin	\$ 28,987,969	\$ 32,499,926	\$ 24,590,625	\$ 33,335,739	\$ 42,172,178	\$ 46,477,508	\$ 49,319,109	\$ 50,759,962	\$ 51,448,782	\$ 52,313,782

**Total Net Debt Applicable to the Limit
as a Percentage of Debt Limit**

	11.44%	9.85%	45.11%	37.35%	31.14%	28.18%	26.03%	24.46%	23.14%	21.85%
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Legal Debt Margin Calculation for Fiscal Year 2013

Actual Valuation	
Boulder County	\$ 1,021,414,539
Weld County	1,277,000,592
Total Actual Valuation	\$ 2,298,415,131
Legal Debt Margin	
Debt Limitation:	
3 Percent of Total Assessed Valuation	\$ 68,952,454
Debt Applicable to Limitation:	
Outstanding Balance of General	14,625,000
Obligation Bonds	
Legal Debt Margin	\$ 54,327,454

Source: Town of Erie Finance Department

Town of Erie
Pledged-Revenue Coverage
Water Revenue Bonds
Last Ten Fiscal Years

Year	Gross Revenues ⁽¹⁾	Operating Expenses ⁽²⁾	Debt Service Requirements			
			Net Revenue		Total	
			Available for Debt Service	Principal	Interest	Coverage
2004	\$ 17,282,608	\$ 1,971,336	\$ 15,311,272	\$ 1,113,000	\$ 1,148,790	6.77
2005	20,713,764	1,904,744	18,809,020	998,000	1,273,168	8.28
2006	13,640,867	2,717,169	10,923,698	1,034,000	1,268,403	4.74
2007	10,759,055	2,742,213	8,016,842	1,074,000	1,455,127	3.17
2008	10,410,225	2,374,240	8,035,985	1,129,000	1,861,680	2.69
2009	7,724,936	2,683,025	5,041,911	1,175,000	1,790,873	1.70
2010	8,315,995	2,655,958	5,660,037	1,260,000	1,236,523	2.27
2011	8,857,658	2,746,833	6,110,825	676,000	1,100,016	3.44
2012	10,386,948	3,012,737	7,374,211	1,453,045	1,383,950	2.60
2013	12,770,442	3,191,385	9,579,057	1,465,000	1,370,029	3.38

Source: Town of Erie Finance Department

⁽¹⁾Gross revenues consist of water sales, capital contributions (tap fees), interest income, and other income.

⁽²⁾Operating expenses excludes depreciation.

Town of Erie
Pledged-Revenue Coverage
Wastewater Revenue Bonds
Last Ten Fiscal Years

Year	Gross Revenues ⁽¹⁾	Operating Expenses ⁽²⁾	Net Revenue		Debt Service Requirements			
			Available for		Principal	Interest	Total	Coverage
			Debt Service					
2004	\$ 4,097,672	\$ 995,223	\$ 3,102,449	\$ 171,285	\$ 163,779	\$ 335,064	9.26	
2005	4,478,101	1,106,541	3,371,560	172,247	155,075	327,322	10.30	
2006	3,450,476	1,226,783	2,223,693	183,596	147,430	331,026	6.72	
2007	3,346,984	1,213,319	2,133,665	189,648	139,671	329,319	6.48	
2008	3,552,108	1,408,979	2,143,129	201,090	133,634	334,724	6.40	
2009	3,085,121	1,410,234	1,674,887	357,240	502,102	859,342	1.95	
2010	3,408,358	1,462,235	1,946,123	460,178	1,018,239	1,478,417	1.32	
2011	3,625,497	1,672,930	1,952,567	558,773	1,019,333	1,578,106	1.24	
2012	4,224,290	1,985,483	2,238,807	563,209	998,926	1,562,135	1.43	
2013	5,477,482	2,170,910	3,306,572	560,696	973,337	1,534,033	2.16	

Source: Town of Erie Finance Department

⁽¹⁾Gross revenues consist of wastewater service fees, capital contributions (tap fees), interest income, and other income.

⁽²⁾Operating expenses excludes depreciation.

Town of Erie
Demographic and Economic Statistics
Last Ten Fiscal Years

Year	Population	Personal Income (in thousands)	Per Capita Income	Median Age ⁽¹⁾	School Enrollment ⁽²⁾	Unemployment Rate ⁽¹⁾
2004	12,420	\$ 418,827	\$ 33,722	34.8	1,241	5.0
2005	14,545	502,442	34,544	35.1	1,460	4.5
2006	16,225	574,138	35,386	35.5	1,677	3.7
2007	17,840	646,682	36,249	35.8	1,883	3.3
2008	18,530	688,074	37,133	36.0	3,078	4.9
2009	18,800	715,114	38,038	36.3	3,535	6.4
2010	19,230	749,297	38,965	35.8	3,661	6.7
2011	19,600	799,014	40,766	36.2	3,872	5.5
2012	20,000	835,340	41,767	36.4	4,104	6.1
2013	21,500	927,338	43,132	35.2	4,608	4.4

Sources: U.S. Census Bureau
Town of Erie Economic Development Department
Bureau of Economic Analysis
Bureau of Labor Statistics
Department of Local Affairs
Boulder Valley School District
Colorado State of Labor
St. Vrain Valley School District

⁽¹⁾Information is for Boulder County, considered to be representative of the Town.

⁽³⁾Erie students attend schools in two districts. Data presented includes enrollment in St. Vrain Valley School District for all periods and since 2008 for Boulder Valley School District.

Town of Erie
Principal Employers
Current Year and Eight Years Ago ⁽¹⁾

<u>Employer</u>	<u>2013</u>		
			<u>Percentage of</u>
	<u>Employees</u>	<u>Rank</u>	<u>Total Town</u> <u>Employment</u>
Town of Erie	300	1	9.38 %
St. Vrain Valley School District	250	2	7.81
Magpul Industries	200	3	6.25
Magnum Plastics	84	4	2.63
Safeway	80	5	2.50
Colorado National Golf Club	50	6	1.56
Lazy Dog	48	7	1.50
Primrose School	45	8	1.41
Waste Connections	37	9	1.16
Front Range Hospice	28	10	0.88
Total	<u>1,122</u>		<u>35.08 %</u>

	<u>2005⁽¹⁾</u>		
			<u>Percentage of</u>
	<u>Employees</u>	<u>Rank</u>	<u>Total Town</u> <u>Employment</u>
Safeway	130	1	6.50 %
Town of Erie	80	2	4.00
Erie Elementary	46	3	2.30
Erie Middle/Senior High	45	4	2.25
Vista Ridge	25	5	1.25
Great American Tire	20	6	1.00
County Line Lumber	14	7	0.70
Ehrhart Griffin & Associates	14	7	0.70
Forever Young	13	9	0.65
Erie Pre-Cast Concrete	12	10	0.60
	<u>399</u>		<u>19.95 %</u>

Source: Erie Chamber of Commerce

⁽¹⁾ 2004 Information is not available. 2005 information will be used until 9-year ago data is available.

Town of Erie
Full-Time Equivalent Town Government Employees by Function
Last Ten Fiscal Years

Function	2004	2005	2006	2007⁽¹⁾	2008	2009	2010	2011	2012	2013
General Government	13.8	14.8	15.9	16.3	14.4	13.2	13.2	13.2	14.2	15.2
Parks & Recreation										
Parks	10.0	11.0	11.0	11.0	11.0	11.0	14.0	16.5	16.5	17.0
Recreation	4.7	4.7	4.7	50.5	50.5	51.1	51.1	52.5	53.1	57.3
Public Safety										
Police	20.3	22.7	22.7	22.7	22.7	23.8	24.8	25.0	25.0	27.0
Public Works	8.5	8.8	8.8	7.8	8.1	8.1	8.1	8.1	8.3	8.8
Water	14.8	16.0	16.5	17.1	17.1	17.1	17.1	17.1	17.4	19.2
Wastewater	11.8	11.9	12.5	13.0	13.1	13.1	13.1	14.1	15.4	16.1
Storm Drainage	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.5	1.5
Airport	1.0	1.0	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	86.2	92.1	94.3	139.7	138.2	138.7	142.7	147.9	151.4	162.2

Source: Town of Erie Finance Department

⁽¹⁾During 2007, the Town increased its recreation staff for the opening and operation of the Erie Community Center.

Town of Erie
Operating Indicators by Function
Last Ten Fiscal Years

Function	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Parks										
Total Acres of Parks Maintained	69	72	87	73	87	91	148	148	149	149
Total Acres of Open Space Maintained	116	120	169	259	204	204	272	272	607	607
Recreation										
Participation in Recreation Activities	284	391	1,470	1,558	5,248	5,512	40,862	70,250	67,815	70,262
Participation in Sports	1,039	1,147	1,267	1,347	1,737	2,161	3,303	4,782	6,375	6,954
Participation in Senior Activities	1,179	893	1,029	849	2,572	5,459	3,667	5,779	14,136	17,211
Senior Lunches	2,037	2,177	2,082	1,833	2,742	2,059	2,636	2,677	2,364	2,383
Police										
Traffic Violations	1,011	1,586	987	838	823	840	1,021	1,091	1,138	1,573
Criminal Violations	615	821	828	323	318	173	158	247	239	263
Water										
Number of Service Connections	4,574	5,340	5,787	6,030	6,228	6,383	6,503	6,546	6,765	6,990
Average Daily Flow (million gallons per day)	1.78	2.25	2.60	2.50	2.57	2.358	2.53	2.64	2.94	2.64
Wastewater										
Number of Service Connections	4,343	5,070	5,551	5,789	5,982	6,106	6,216	6,298	6,491	6,716
Average Daily Flows (million gallons per day)	0.706	0.784	0.840	0.964	0.930	0.964	1.007	1.070	1.090	1.216

Sources: Town of Erie Public Works Department

Town of Erie Police Department

Town of Erie Recreation Department

Town of Erie
Capital Assets Statistics by Function
Last Ten Fiscal Years

Function	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Parks and Recreation										
Community Center ⁽¹⁾	-	-	-	1	1	1	1	1	1	1
Parks	8	8	8	8	7	10	10	10	10	10
Park Acreage	69	72	87	73	87	91	148	148	149	149
Public Safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	6	6	7	8	8	8	8	8	8	8
Public Works										
Streets (miles)	99.3	100.1	119.0	105.1	112.3	132.0	130.0	121.0	122.4	134.0
Water										
Water Mains (miles)	93.1	117.0	88.0	110.0	110.0	111.0	111.0	125.5	132.7	132.7
Maximum Daily Capacity (million gallons per day)	6.0	12.0	12.0	7.3	12.2	12.2	12.2	12.2	12.2	12.2
Wastewater										
Sanitary Sewers (miles)	66.3	86.2	65.0	93.4	93.4	94.0	94.0	87.7	89.7	90.9
Maximum Daily Capacity (million gallons per day)	0.8	1.2	1.2	1.2	1.2	1.8	1.8	2.7	2.7	2.7
Storm Drainage										
Storm Sewers (miles)	27.3	(2)	(2)	(2)	32.5	34.0	34.0	40.1	40.1	39.9
Airport										
Terminal Building	1	1	1	1	1	1	1	1	1	1

Sources: Town of Erie Public Works Department
Town of Erie Police Department

⁽¹⁾Erie Community Center opened December 31, 2007.

⁽²⁾Information not available.

Town of Erie
Property Values and Construction
Last Ten Fiscal Years

Year	Estimated Actual Property Value			Commercial Construction		Residential Construction	
	Commercial	Residential	Total	Number of Units	Value	Number of Units	Value
2004	\$ 38,995,466	\$ 964,666,797	\$ 1,003,662,263	10	\$ 3,476,978	909	\$ 185,210,129
2005	46,429,974	1,073,620,314	1,120,050,288	3	4,862,241	803	188,301,798
2006	49,034,286	1,342,384,348	1,391,418,634	6	2,878,000	612	116,554,370
2007	47,264,926	1,629,471,893	1,676,736,819	11	26,601,742	249	59,080,987
2008	54,251,411	1,911,752,066	1,966,003,477	11	9,474,077	168	38,336,671
2009	65,357,650	2,023,293,560	2,088,651,210	4	47,815,240	103	24,684,218
2010	80,565,996	1,983,526,184	2,064,092,180	3	14,093,550	119	25,714,523
2011	84,189,472	2,019,788,333	2,103,977,805	2	1,988,216	108	27,681,427
2012	86,983,585	2,005,135,153	2,092,118,738	5	3,860,578	150	36,498,702
2013	85,420,889	2,037,869,085	2,123,289,974	2	8,414,892	249	63,529,916

Source: Boulder County Assessor's Office
Weld County Assessor's Office
Town of Erie Building Department

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Compliance Section

Water Enterprise Fund Continuing Disclosures:

History of Net Revenues and Debt Service Coverage for the Water Enterprise

	2009	2010	2011	2012	2013
Gross Revenues					
Charges for services	\$ 4,995,495	\$ 5,511,767	\$ 6,321,368	\$ 7,104,638	\$ 6,393,236
Interest income	187,881	79,323	68,418	62,457	43,001
Other income	77,770	53,790	63,440	7,139	332,295
Tap fees	2,463,790	2,671,115	2,404,432	3,212,714	6,001,910
Total Gross Revenues	7,724,936	8,315,995	8,857,658	10,386,948	12,770,442
Operation and Maintenance Expenses (1)					
	2,683,025	2,655,958	2,746,833	3,012,737	3,191,385
Net Revenues	<u>\$ 5,041,911</u>	<u>\$ 5,660,037</u>	<u>\$ 6,110,825</u>	<u>\$ 7,374,211</u>	<u>\$ 9,579,057</u>
Combined Maximum Annual Principal and Interest Requirements	\$ 2,837,304	\$ 2,837,304	\$ 2,837,304	\$ 2,837,304	\$ 2,837,304
Pro-Forma Coverage Ratio	1.78x	1.99x	2.15x	2.6x	3.38x
Current year debt service					\$ 2,835,029
Coverage Ratio - current year					3.38x
Minimum required ratio					1.10x

(1) Includes all expenses properly allocable to the System pursuant to GAAP. Does not include depreciation, amortization, or interest paid on outstanding bonds.

History of Water Tap Fees

Year	Water Taps Sold	Tap Fees Collected
2009	168	\$ 2,463,790
2010	103	2,671,115
2011	119	2,404,432
2012	110	3,212,714
2013	154	6,001,910

History of Water Accounts

<u>Year</u>	<u>Residential Accounts</u>	<u>Commercial Accounts</u>	<u>Irrigation Accounts</u>	<u>Total Accounts</u>
2009	6,144	111	128	6,383
2010	6,267	119	117	6,503
2011	6,329	101	116	6,546
2012	6,542	117	106	6,765
2013	6,757	123	110	6,990

Largest Customers of the System - 2013

<u>Type of Business</u>	<u>2013 Revenue</u>	<u>% of Total (1)</u>
School District	\$ 162,656	2.54%
Homeowner's Association	160,036	2.50%
Municipality	141,921	2.22%
Homeowner's Association	115,513	1.81%
Homeowner's Association	54,537	0.85%
Homeowner's Association	50,223	0.79%
Homeowner's Association	42,107	0.66%
Homeowner's Association	29,848	0.47%
Homeowner's Association	29,176	0.46%
Homeowner's Association	25,548	0.40%
Total	<u><u>\$ 811,565</u></u>	<u><u>12.69%</u></u>

(1) Based on total charges for service of \$6,393,236.

Budget Summary and Comparison - Water Fund

	2012 Final Budget	2012 Actual	2013 Final Budget	2013 Actual
Beginning Working Capital	\$ 8,270,437	\$ 8,270,437	\$ 10,574,508	\$ 10,574,508
Revenues				
Charges for services	6,809,800	7,104,638	6,294,800	6,393,236
Tap fees	3,126,000	3,212,714	5,667,260	6,001,910
Interest income	65,000	62,457	13,500	43,001
Other income	120,350	58,414	399,900	332,295
Total revenues	10,121,150	10,438,223	12,375,460	12,770,442
Total funds available	18,391,587	18,708,660	22,949,968	23,344,950
Operating Expenses				
Administration	1,977,643	1,704,628	1,995,200	1,715,017
Distribution	190,385	181,410	201,100	177,727
Treatment	1,182,395	967,923	1,425,800	1,033,184
Meters	149,112	123,056	160,400	129,216
Debt service	4,236,429	4,252,881	4,238,600	4,235,527
Capital outlay	3,747,200	883,934	9,190,600	5,256,213
Total operating expenses	11,483,164	8,113,832	17,211,700	12,546,884
Other changes in working capital	-	(20,320)	-	(6,523)
Ending Working Capital	\$ 6,908,423	\$ 10,574,508	\$ 5,738,268	\$ 10,791,543

Water Fund - History of Revenues, Expenses and Changes in Net Position

	Year Ended December 31,				
	2009	2010	2011	2012	2013
Operating Revenues					
Charges for services	\$ 4,995,495	\$ 5,511,767	\$ 6,321,368	\$ 7,104,638	\$ 6,393,236
Operating Expenses					
Personnel services	1,174,353	1,212,818	1,212,449	1,185,324	1,367,069
Operations and maintenance	1,508,672	1,443,140	1,534,384	1,827,413	1,824,316
Depreciation	1,583,509	1,876,677	1,966,472	2,275,380	2,669,956
Total Operating Expenses	4,266,534	4,532,635	4,713,305	5,288,117	5,861,341
Net Operating Income	728,961	979,132	1,608,063	1,816,521	531,895
Nonoperating Revenues (Expenses)					
Interest income	187,881	79,323	68,418	62,457	43,001
Other	77,770	53,790	63,440	7,139	236,059
Interest expense	(2,145,796)	(2,297,369)	(2,454,169)	(2,378,616)	(2,219,004)
Total Nonoperating Expenses	(1,880,145)	(2,164,256)	(2,322,311)	(2,309,020)	(1,939,944)
Income (Loss) before Contributions	(1,151,184)	(1,185,124)	(714,248)	(492,499)	(1,408,049)
Capital contributions	2,463,790	2,671,115	2,404,432	3,263,989	6,001,910
Change in Net Position	1,312,606	1,485,991	1,690,184	2,771,490	4,593,861
Total Net Position - Beginning	100,710,242	102,022,848	103,478,543	100,672,837	102,224,496
Prior Period Adjustments (1) (2)	-	(30,296)	(4,495,890)	(1,219,831)	(564,790)
Total Net Position - Ending	<u>\$ 102,022,848</u>	<u>\$ 103,478,543</u>	<u>\$ 100,672,837</u>	<u>\$ 102,224,496</u>	<u>\$ 106,253,567</u>

(1) In 2010, 2011 and 2012 various prior period adjustments were recorded, primarily related to the carrying value of capital assets, bond-related deferrals and liability for compensated absences.

(2) The 2013 prior period adjustment reflects implementation of GASB 65, resulting in the expensing of certain bond issuance costs that were previously capitalized and amortized over the life of the related debt.

Wastewater Enterprise Fund Continuing Disclosures:

History of Net Revenues and Debt Service Coverage for the Wastewater Enterprise

	2009	2010	2011	2012	2013
Gross Revenues					
Charges for services	\$ 2,359,528	\$ 2,774,232	\$ 3,112,916	\$ 3,535,547	\$ 4,141,562
Tap fees	493,910	536,250	465,620	635,210	1,079,650
Interest income	227,299	91,326	33,632	51,783	35,268
Other	4,384	6,550	13,329	1,750	221,002
Total Gross Revenues	3,085,121	3,408,358	3,625,497	4,224,290	5,477,482
Operation and Maintenance Expenses (1)					
	1,410,234	1,462,235	1,672,930	1,985,483	2,170,910
Net Revenues	<u>\$ 1,674,887</u>	<u>\$ 1,946,123</u>	<u>\$ 1,952,567</u>	<u>\$ 2,238,807</u>	<u>\$ 3,306,572</u>
Combined Maximum Annual Principal and Interest Requirements	\$ 1,618,815	\$ 1,618,815	\$ 1,618,815	\$ 1,618,815	\$ 1,618,815
Pro-Forma Coverage Ratio	1.03x	1.2x	1.21x	1.38x	2.04x
Current year debt service					\$ 1,534,033
Coverage Ratio - current year					2.16x
Minimum required ratio					1.10x

(1) Includes all expenses properly allocable to the System pursuant to GAAP. Does not include depreciation, amortization, or interest paid on outstanding bonds.

History of Wastewater Tap Fees

Year	Residential Taps Sold	Residential Tap Fees	Commercial Taps Sold	Commercial Tap Fees	Total Taps Sold	Total Tap Fees
2009	103	\$ 416,690	4	\$ 77,220	107	\$ 493,910
2010	119	499,070	3	37,180	122	536,250
2011	108	447,030	2	18,590	110	465,620
2012	147	630,920	1	4,290	148	635,210
2013	248	1,065,350	1	14,300	249	1,079,650

History of Wastewater Accounts

<u>Year</u>	<u>Residential Accounts</u>	<u>Commercial Accounts</u>	<u>Total Accounts</u>	<u>% Change in Accounts</u>
2009	6,011	95	6,106	
2010	6,112	104	6,216	1.8%
2011	6,196	102	6,298	1.3%
2012	6,390	101	6,491	3.1%
2013	6,609	107	6,716	3.5%

History of Operating Revenues by Category

<u>Year</u>	<u>Residential Revenues</u>	<u>Commercial Revenues</u>	<u>Total Revenues</u>	<u>% Change in Revenues</u>
2009	\$ 2,182,064	\$ 177,464	\$ 2,359,528	
2010	2,576,582	197,650	2,774,232	17.6%
2011	2,893,319	219,597	3,112,916	12.2%
2012	3,299,970	235,577	3,535,547	13.6%
2013	3,906,468	235,094	4,141,562	17.1%

Largest Customers of the System - 2013

<u>Type of Business</u>	<u>2013 Revenue</u>	<u>% of Total (1)</u>
Homeowner's Association	\$ 112,028	2.70%
Homeowner's Association	43,059	1.04%
Municipality	25,385	0.61%
School District	20,989	0.51%
Banking Institution	14,562	0.35%
Homeowner's Association	14,200	0.34%
Developer	12,083	0.29%
Golf Course	11,642	0.28%
Retail Grocer	9,741	0.24%
Retail Gas Station	7,921	0.19%
Total	<u>\$ 271,610</u>	<u>6.56%</u>

(1) Based on total charges for service of \$4,141,562.

Budget Summary and Comparison - Wastewater Fund

	2012 Final Budget	2012 Actual	2013 Final Budget	2013 Actual
Beginning Working Capital	\$ 7,292,541	\$ 7,292,541	\$ 7,000,664	\$ 7,000,664
Revenues				
Charges for services	3,496,200	3,535,547	4,100,000	4,141,562
Interest income	49,000	51,783	16,400	35,268
Other income	58,800	110,352	201,500	221,099
Tap fees	604,900	635,210	1,029,580	1,079,650
Total revenues	4,208,900	4,332,892	5,347,480	5,477,579
Total funds available	11,501,441	11,625,433	12,348,144	12,478,243
Operating Expenses				
Administration	798,131	742,702	867,200	841,814
Collection	190,866	162,344	150,000	133,045
Treatment	1,177,396	990,943	1,268,900	1,097,175
Debt service	2,176,652	2,168,052	1,530,100	1,529,933
Capital outlay	2,191,400	488,035	862,600	144,487
Total operating expenses	6,534,445	4,552,076	4,678,800	3,746,454
Other changes in working capital	-	(72,693)	-	(29,245)
Ending Working Capital	<u>\$ 4,966,996</u>	<u>\$ 7,000,664</u>	<u>\$ 7,669,344</u>	<u>\$ 8,702,544</u>

Wastewater Fund - History of Revenues, Expenses and Changes in Net Position

	Year Ended December 31,				
	2009	2010	2011	2012	2013
Operating Revenues					
Charges for services	\$ 2,359,528	\$ 2,774,232	\$ 3,112,916	\$ 3,535,547	\$ 4,141,562
Operating Expenses					
Personnel services	928,271	912,109	983,824	999,070	1,213,708
Operations and maintenance	481,963	550,126	689,106	986,413	957,202
Depreciation	777,846	776,962	1,168,553	1,541,441	1,543,684
Total Operating Expenses	2,188,080	2,239,197	2,841,483	3,526,924	3,714,594
Net Operating Income (Loss)	171,448	535,035	271,433	8,623	426,968
Nonoperating Revenues (Expenses)					
Interest income	227,299	91,326	33,632	51,783	35,268
Other	4,384	6,550	13,329	1,750	(97)
Interest expense	(540,866)	(1,022,048)	(1,032,836)	(1,011,369)	(962,246)
Total Nonoperating Revenues (Expenses)	(309,183)	(924,172)	(985,875)	(957,836)	(927,075)
Income before Contributions	(137,735)	(389,137)	(714,442)	(949,213)	(500,107)
Capital contributions	493,910	536,250	465,620	743,812	1,300,749
Change in Net Position	356,175	147,113	(248,822)	(205,401)	800,642
Total Net Position - Beginning	39,091,428	39,447,603	39,562,430	39,286,142	40,640,401
Prior Period Adjustments (1) (2)	-	(32,286)	(27,466)	1,559,660	(242,951)
Total Net Position - Ending	<u>\$ 39,447,603</u>	<u>\$ 39,562,430</u>	<u>\$ 39,286,142</u>	<u>\$ 40,640,401</u>	<u>\$ 41,198,092</u>

(1) In 2010, 2011 and 2012 various prior period adjustments were recorded, primarily related to the carrying value of capital assets, bond-related deferrals and liability for compensated absences.

(2) The 2013 prior period adjustment reflects implementation of GASB 65, resulting in the expensing of certain bond issuance costs that were previously capitalized and amortized over the life of the related debt.

The public report burden for this information collection is estimated to average 380 hours annually.

LOCAL HIGHWAY FINANCE REPORT		City or County: Town of Erie			
		YEAR ENDING: December 2013			
This Information From The Records Of (example - City of _ or County of _): Town of Erie		Prepared By: Chris Morrison Phone: 303-926-2750			
I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE					
ITEM	A. Local Motor-Fuel Taxes	B. Local Motor-Vehicle Taxes	C. Receipts from State Highway- User Taxes	D. Receipts from Federal Highway Administration	
1. Total receipts available					
2. Minus amount used for collection expenses					
3. Minus amount used for nonhighway purposes					
4. Minus amount used for mass transit					
5. Remainder used for highway purposes					
II. RECEIPTS FOR ROAD AND STREET PURPOSES		III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES			
ITEM	AMOUNT	ITEM	AMOUNT		
A. Receipts from local sources:		A. Local highway disbursements:			
1. Local highway-user taxes		1. Capital outlay (from page 2)	1,319,644		
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	653,939		
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:			
c. Total (a.+b.)		a. Traffic control operations			
2. General fund appropriations	574,299	b. Snow and ice removal			
3. Other local imposts (from page 2)	2,215,915	c. Other	261,343		
4. Miscellaneous local receipts (from page 2)	91,757	d. Total (a. through c.)	261,343		
5. Transfers from toll facilities		4. General administration & miscellaneous	587,909		
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety			
a. Bonds - Original Issues		6. Total (1 through 5)	2,822,835		
b. Bonds - Refunding Issues		B. Debt service on local obligations:			
c. Notes		1. Bonds:			
d. Total (a. + b. + c.)	0	a. Interest	83,988		
7. Total (1 through 6)	2,881,971	b. Redemption	290,000		
B. Private Contributions		c. Total (a. + b.)	373,988		
C. Receipts from State government (from page 2)	795,600	2. Notes:			
D. Receipts from Federal Government (from page 2)	0	a. Interest			
E. Total receipts (A.7 + B + C + D)	3,677,571	b. Redemption			
		c. Total (a. + b.)	0		
		3. Total (1.c + 2.c)	373,988		
		C. Payments to State for highways			
		D. Payments to toll facilities			
		E. Total disbursements (A.6 + B.3 + C + D)	3,196,823		
IV. LOCAL HIGHWAY DEBT STATUS (Show all entries at par)					
	Opening Debt	Amount Issued	Redemptions	Closing Debt	
A. Bonds (Total)	1,935,000	0	290,000	1,645,000	
1. Bonds (Refunding Portion)					
B. Notes (Total)				0	
V. LOCAL ROAD AND STREET FUND BALANCE					
	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	3,475,811	3,677,571	3,196,823	3,956,559	0
Notes and Comments:					

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LOCAL HIGHWAY FINANCE REPORT		STATE:	
		Colorado	
		YEAR ENDING (mm/yy): December 2013	
II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments		a. Interest on investments	29,257
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees	454,835	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	1,761,080	g. Other Misc. Receipts	62,500
6. Total (1. through 5.)	2,215,915	h. Other	
c. Total (a. + b.)	2,215,915	i. Total (a. through h.)	91,757
	(Carry forward to page 1)		(Carry forward to page 1)
ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	623,859	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	67,535	d. Federal Transit Admin	
d. Other - Road & Bridge Taxes	104,206	e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	171,741	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	795,600	3. Total (1. + 2.g)	
			(Carry forward to page 1)
III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities		0	0
(2). Capacity Improvements		0	0
(3). System Preservation		609,897	609,897
(4). System Enhancement & Operation		709,747	709,747
(5). Total Construction (1) + (2) + (3) + (4)	0	1,319,644	1,319,644
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	1,319,644	1,319,644
			(Carry forward to page 1)
Notes and Comments:			

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